THE FINANCIAL TIMES February 12, 1976

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NEWS SUMMARY

GENERAL

Angola: MPLA sweeps south

Forces of the Marxist MPLA movement, spearheaded by Cuban troops, have made sweeping gains in their drive south in Angola, bringing them closer to the South African defence line 25 miles from the border with Namibia.

Meanwhile, the MPLA received an important boost when the Organisation of African Unity announced that it had recognised the Luanda-based movement as the legitimate government of Angola.

This move has not helped the South Africans, who now face the dilemma of having forces in the territory of an OAU member to defend its presence in Namibia and its projects on the Cunene River. Back Page.

A mercenary who returned from Angola on Tuesday was jailed for 12 months for burglary at Reading, after failing to answer bail two weeks ago. A would-be mercenary who was held at Fenchurch Street last month was jailed for nine months at Maidstone for theft.

Bitter pill for doctors

Britain's 19,000 junior hospital doctors seem to have achieved very little short-term gain from their year of bitter dispute with the Government. The doctors' pay review body recommended yesterday that overtime payments should start after 40 hours' work a week, instead of 44 as earlier proposed. But there is to be no increase in the rates themselves. Back Page

Lockheed 'loses Japanese order'

Lockheed may have lost a major Japanese order for anti-submarine aircraft, worth $1.3bn., because of the disclosures of its payments to foreign officials. The company and U.S. Government officials would not comment on the report, which also suggested that other major U.S.-Japanese aircraft deals might be in jeopardy. Page 23

Italian Cabinet

Italian Prime Minister Sig. Aldo Moro has formed a Christian Democrat minority Government, dropping a Minister alleged to have taken money from the Lockheed Aircraft Corporation and ending a 35-day political crisis. President Leone has approved the new Cabinet.

Curry wins gold

John Curry of Britain won the men's figure-skating gold medal at the Winter Olympics in Innsbruck, dancing to the ballet music from Don Quixote.

Editor quits

Alastair Burnet, editor of the Daily Express since October, 1974, is to relinquish his post and rejoin Independent Television News on a full-time basis. Roy Wright, deputy editor of the Daily Express, is to become editor on March 1.

£150,000 repaid

Fourteen partners of estate agents Weller Eggar have repaid £150,000 additional commission they received in the £7m. Bewbush land deal to solicitors acting for Mr. Lionel Brooks, who sold the land for £3.25m.

Briefly . . .

Crazy Gang member Charlie Naughton died in King's College Hospital, London, aged 89, leaving Chesney Allen as the only survivor of the gang.

Mr. Michael Marriott, chairman of the Stock Exchange who died last December, left £169,913.

Fines of £1,000 each were imposed at Preston Crown Court on two men convicted of conspiring to defraud bookmakers by taking part in the Gay Future betting coup.

BUSINESS

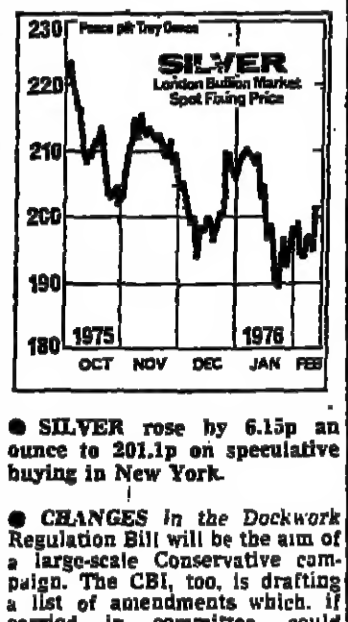
Rally in Gilts and Equities eases

● EQUITIES were unable to maintain Tuesday's rally, and slipped downwards in slack demand. The FT 30-share index lost 2.8 to 400.3.

● GILTS, too, lost their overnight recovery, and the Government Securities index ended only marginally up by 0.04 at 63.14.

● GOLD gained $1¼ to $130¼.

● WALL STREET closed 3.15 up at 971.90. Turnover at 32.30m. shares, was heavy.



● SILVER rose by 6.15p an ounce to 201.1p on speculative buying in New York.

● CHANGES in the Dockwork Regulation Bill will be the aim of a large-scale Conservative campaign. The CBI, too, is drafting a list of amendments which, if carried in committee, could radically change the Bill. Back Page

● A REDISTRIBUTION of routes between British Airways and British Caledonian is planned by the Government and has had a reluctant welcome from the airlines concerned. Back Page.

Cut in UDT repayment

● UNITED DOMINIONS TRUST has negotiated a ¼ per cent. cut in the interest it pays on its loans from the big banks' "lifeboat," saving £2m. a year. First-half pre-tax profits were £500,000 up to December 31 against a £27.3m. loss in the corresponding period of 1974. Page 21 and Lex.

● SHELL U.K. Oil says that retail price control on petrol is neither possible nor desirable. Page 7. Another oil major, BP hopes to win contracts from Brazil for oil exploration platforms in association with Wimpey. Page 7

● GAS PRICES are expected to rise at a rate slower than the retail price index, a British Gas Corporation Board member has told a Commons committee. Page 8

● POST OFFICE plans to raise parcel charges by 25 per cent from April 26, but letter and telephone prices will be held for the time being. Page 8

LABOUR

● WORKERS whose employers become insolvent will have back wages, holiday pay and certain other payments protected through the Redundancy Payments Fund under a new section of the Employment Protection Act coming into force on April 20. Page 11

COMPANIES

● SECURICOR Group pre-tax profits rose from £2.63m. to £2.75m. after a first-half downturn from £1.33m. to £1.27m. Page 20 and Lex.

● DALGETY made good progress in the first half to December 31, with pre-tax profits up at £7.8m. from £4m. Page 21 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Bradford Prop.	146	+ 7
British Vita	62	+ 4
CCH Invests.	31	+ 3
Courtney Pope	60	+ 5
Dalgety	238	+ 17
Felixstowe Dock	143	+ 7
Greatermans "A"	355	+ 15
Johnson-Rchrds. Tiles	257	+ 7
Lonrho	129	+ 7
Macfarlane Group	60	+ 4
Osborn (S.)	63	+ 3½
Racal Elec.	228	+ 6
Rush and Tomkins	52	+ 4
Securicor	57½	+ 3½
Sime Darby	132	+ 5
Spear and Jackson	100	+ 4
Spirella	81	+ 5
Wilmot-Breeden	40½	+ 2½
Ayer Hitam	173	+ 8
Gopeng Cons.	190	+ 7
Malayan Tin	182	+ 7
Ocean Resources	40	+ 4
Pancontinental	£15½	+ 1
South West Africa	110	+ 10
Tanjong	45	+ 5

FALLS

Electric 3½pc '76-79	£95¾	− 1
Aaronson Bros.	55	− 3
"Bats"	353	− 5
Beecham	339	− 5
Bowater	178	− 4
GKN	299	− 5
Metal Box	275	− 5
RTD Group	36	− 6
Reed Intnl.	271	− 6
SGB	96	− 5
Tube Invests.	334	− 6
Sun Alliance	447	− 6
Ward (T. W.)	56½	− 4
Wills (G.)	38	− 5
Thiess Hldgs.	195	− 10

Central banks in co-ordinated franc support operation

BY RUPERT CORNWELL, PARIS, FEBRUARY 11

DESPITE heavy and coordinated Central Bank support, the French franc was to-night once more close to its floor against the D-Mark while the German unit was at its ceiling in the European currency "snake." There are now growing doubts over the franc's ability to stay within the "snake" at its present parity.

Througout the day the Bank of France, the Bundesbank and the New York Federal Reserve were active in the foreign exchange markets, intervening not only in dollars, but also by buying francs and selling marks.

News of the orchestrated support operations yesterday and to-day was "leaked" this morning by the Finance Ministry here in a carefully judged move to try to swing confidence back behind the existing exchange rate structure.

Shortly afterwards M. Jean-Pierre Fourcade, the Finance Minister, said that France would remain within the narrow margin agreement.

"Devaluation is a word I don't know," he told the Press after the weekly Cabinet meeting.

For a time the strategy worked, and the franc held steady at about its opening rate of Frs.175.10 for DM100, before strengthening slightly in official Bourse dealings.

This evening, however, once European Central Banks had left the market, it weakened abruptly to be offered at Frs.175.50, near its lowest permissible level of Frs.176.425.

The Bank of France is estimated to have spent to-day $200m. and DM50m.-DM70m., making a total of $600m. so far this week, and $1.75bn. since the crisis blew up three weeks ago. The Bundesbank was reported to have bought $10m. and Frs.50m. at the official Frankfurt fixing to prevent the D-mark from bursting through the joint float ceiling.

Apart from the unspecified Fed intervention, the Swiss National Bank was also in the market, controlling the rate of the ever-attractive Swiss franc against the dollar.

Despite these steps and the release of figures showing France in current account balance last year after a 1974 deficit of Frs.28.7bn. (£3.2bn.), the markets and the financial community here is anything but convinced.

In both Paris and Frankfurt, it is feared that the Central Bank's action may have backfired.

The belief is growing that what one prominent banker to-night

Continued on Back Page

Giscard, Schmidt in "snake" talks, Page 6

'No D-mark revaluation'

In Frankfurt, Bundesbank sources insisted that there was no question of a D-mark revaluation. Economic circumstances did not justify such a move, they claimed, particularly in light of the fall in Germany's export orders in December. The problem was in any case of French origin, they added.

In London, sterling gained 25 points against the U.S. dollar to close at $2.0295, but responded to the growing strength of the W. German mark and Swiss franc by finishing at a further record low against other major currencies.

The pound's trade-weighted depreciation, as calculated by the Bank of England, widened by 0.1 per cent. to 30.5 per cent. There was no heavy pressure on sterling, however, and no indication of support from the Bank of England. The dollar's depreciation, on the Morgan Guaranty basis, widened further to 2.96 per cent. from 2.83 per cent.

Keith and Ryder move towards compromise

BY ADRIAN HAMILTON

DESPITE another flare-up of tempers yesterday, there are signs that Sir Kenneth Keith of Rolls-Royce (1971) and Lord Ryder of the National Enterprise Board are now moving towards a compromise agreement on the working relationship between the two companies.

Another meeting between the two, together with the Department of Industry and Lord Goodman (who has been retained by Rolls-Royce) is due within the next few days.

The meeting will be held to consider a formula which has been worked out in a series of continuous contacts over the past few days between the companies, the Government and Lord Goodman.

The final lines of this agreement are still to be cleared up, but they are thought to be based on two principles:

First, that Rolls-Royce is now a subsidiary of the Board and must therefore accept a degree of financial supervision from its shareholders, with regular targets and reviews.

Second, that Rolls-Royce, because of its role in the aerospace and defence industries, has a unique position and must be allowed some clearly-defined means of direct access to Government departments (the main bone of contention fought for by Sir Kenneth). The limits of NEB intervention will also be defined.

Early indications are that the two parties are prepared to accept such a formula. No-one yet seems confident, however, whether a last minute clash of personalities will destroy the agreement before it is signed or whether, in view of the attitudes taken by the two sides, it can be made to work.

The volatility of the issue was made all too apparent yesterday when reports that Lord Ryder wished to install a permanent chief executive in Rolls-Royce inspired some heated exchanges with Sir Kenneth. These were finally resolved, with Government help, by a joint statement denying the whole thing.

Backed by a promise by all sides not to discuss the matter further through the Press, the two companies declared that the question of any change in the management structure of Rolls-Royce (1971) had never been put forward in discussions and that the report was "incorrect."

The statement clearly represents strong efforts by the various sides to cool tempers in view of the progress made on a potential agreement.

Rolls-Royce, which has always has a fairly loose reporting relationship with Government, remains unhappy that it has been brought into the NEB fold and feels that the Board's supervision should be minimal so that it can continue large-scale investments without an intervening layer between it and the Government.

The NEB, having been charged with the Rolls-Royce shares, feels that it must assume the responsibility for those shares and therefore has the duty to supervise Rolls-Royce and Government aid to it in the same way that it does with British Leyland.

With goodwill, the hope is that a concordat can be reached. Behind such agreement there undoubtedly remain those within the NEB who are prepared to see Sir Kenneth go if need be, in the interests of finding a new relationship, just as there remain those in Rolls-Royce, including Sir Kenneth, who are prepared to resign with the maximum political impact should any changes in the management of the company be considered.

Editorial comment, Page 18

Monday start for price curbs

BY DONALD MACLEAN, INDUSTRIAL STAFF

THE GOVERNMENT'S selective price restraint scheme, which is to begin in the shops on Monday, will cover more than 60 items or categories of goods and services.

Under the scheme, agreed on a voluntary basis with manufacturers, service industries and retailers, there will be a 5 per cent. limit on price rises for the items involved over six months.

Included among the scheme's items are a number of foods, clothing, furniture, consumers durables, toiletries, fuels, cigarettes and tobacco, inland letters up to 100z, telephone charges, leisure articles, do-it-yourself materials, matches and "most popular weekly magazines." (Complete list, Page 22.)

The introduction of the scheme follows some months of close negotiation between the Government manufacturers and industry. The 5 per cent. limit is in line with the Government's plans to reduce the rate of inflation to an annual rate of 10 per cent. or less this year.

Under the scheme, prices of some items not included may be raised to carry relatively low profit margins on those that are included.

The cost of promoting the scheme will be about £1m..

The money to be spent is allowed for in the counter-inflation budget. Supporting the scheme is to be a "red triangle" price check symbol.

The scheme is to be backed by a fresh food price plan, under which retailers dealing in fresh foods, which cannot be brought within the arrangements because of seasonal factors, have agreed to restrict profit margins on one item in each of four classes—red meat, one other protein (which could be another red meat), fruit and vegetables.

In a parallel agreement petrol suppliers have undertaken to observe restraint at wholesale level—although it was made clear yesterday that petrol prices at the pumps would not necessarily follow suit.

Mrs. Shirley Williams, Secretary for Prices and Consumer Protection, said yesterday that the selective restraint scheme covered some 15-20 per cent. of consumer expenditure

Sir Campbell Adamson, director-general of the Confederation of British Industry, and Lord Redmayne, chairman of the Retail Consortium, accompanied Mrs. Williams at a Press conference in London yesterday, announcing the scheme. Both Sir Campbell and Lord Redmayne, however, made it plain that the scheme should last for only six months.

Sir Campbell said: "The Price Code has got us to the point that industries' profit margins are very low indeed." Everyone had a part to play in the fight against inflation. Mrs. Williams had been left "in no doubt that this form of price control must go in July."

The proposals were immediately attacked by the Opposition as "a hotch potch of items scraped together, of only marginal significance

Editorial comment, Page 18

FEATURES

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Labour defeat in the Commons

BY PHILIP RAWSTORNE

A CONSERVATIVE censure on the Government's policy towards the motor industry was carried in the Commons after a voting muddle last night by 214 votes to 209—an Opposition majority of five.

The Government's defeat gave an unexpected fillip to Mrs. Margaret Thatcher's celebration of the first anniversary of her election as Tory leader.

Coming by accident less than 24 hours after the Government had successfully repelled an all-out attack by the Opposition, the defeat, on a technical motion, also reduced the salary of Mr. Eric Varley, Secretary for Industry, by £1,000.

The Government's troubles began with a miscount in the division lobbies as the vote was called at the end of the debate. Despite Government objections, the Speaker, Mr. George Thomas, ordered a second vote—but by that time about 60 Labour MPs had left the Commons.

Tory MPs summoned by a three line whip for the final business that was to follow had stayed in strength.

But Mr. Robert Mellish, the Government Chief Whip, was unable to muster anywhere near his full vote and the Government's defeat was announced amid jubilant Tory cheers and to cries of "resign."

Mr. Mellish retorted that the vote was irrelevant. "The Government does not accept the decision," he declared amid Tory jeers.

He invited Tory leaders to comment on the situation. But Mr. John Peyton "Shadow" Leader of the House smilingly replied: "For once in my life I have nothing to say."

Amid further protests, Mr. Mellish said that he would table a motion next week to restore Mr. Varley's £13,000 a year salary.

Earlier Mr. Varley had announced the setting-up of a top-level group of motor company executives and trade union leaders to help restore the industry to a competitive and profitable position.

He indicated that the Government would consider further assistance for the Chrysler company if necessary.

He said the company had forecast small profits from 1977 onwards. "Even if viability were not regained within three years, the Government considers, because of very powerful social, industrial, and balance-of-payments arguments, that a longer time scale would be justified." he added.

Mr. Varley, who will head the committee, told MPs that the industry's advisory group would

Continued on Back Page

Parliament Page 11

Job saving moves may cost £200m.

BY SAMUEL BRITTAN AND WILLIAM KEEGAN

THE ECONOMIC measures to be unveiled by Mr. Healey in the Commons this afternoon are expected to add up to nearer a £200m. package than the upper limit of £100m., which was the target as recently as a week ago.

It is evident that political concern about the unemployment trend is encouraging Ministers to turn on the "tap" of job saving and creation measures rather faster than had originally been envisaged.

The package is expected to comprise a short-term component of job creation, job saving and training measures on the lines of those already introduced last September and December, and another—medium-term—batch of measures to assist industrial investment.

Over half the £200m. will be earmarked for job saving and preservation, and is due to be spent in the 1976-77 financial year.

In addition the Government is planning further investment assistance to industry to help certain sectors to modernise their plant—on the lines already applying in the ferrous foundries, machine tool and textile industries.

While larger in scope than had been planned, the measures are being introduced nevertheless against a background of new public spending projections which suggest that the Chancellor will have very little room for manoeuvre when he introduces his Budget on April 6.

Although the Public Expenditure White Paper due next Thursday will show no rise in the volume of the main spending programmes in 1976-77, interest on the National Debt is bound to show a sharp increase. The net result therefore could be an increase of around £1bn. in total planned public spending before allowing for inflation.

Mr. Healey has already committed himself in his letter of application to the IMF to a public sector borrowing requirement in 1976-7 of "no more than" £12bn. The outcome for the present financial year is now expected to be around £11bn.

The automatic effect of inflation on tax revenue, together with some economic recovery during the year, may boost tax receipts. But on the most optimistic assumptions there will be limited room for the selective tax reliefs which the Chancellor would like to introduce to improve the climate for the next round of pay talks with the TUC.

The Chancellor has shown some interest in increasing the tax allowances and the starting points of the higher tax bands to compensate in part for their erosion through inflation. To restore their value to the levels prevailing at the time of the last Budget (known as "valorisation") could cost about £2bn. depending on the precise method used; and there is no question of going nearly as far. As it is, Mr. Healey will have to choose between the TUC's desire for a new very low tax band and raising the thresholds.

To-day's measures are being unveiled against a background of official feeling that the worst of the Government's external financing needs for 1976 have now been catered for.

Of an estimated external financing requirement of some $4bn. this year, the U.K. has already arranged some $2.6bn. The greater part consists of the IMF oil facility drawing of $1.2bn. (already taken).

A further $200m. public sector borrowing either took place or was arranged in January and the application for a standby credit of $800m. has already been accepted by the IMF.

Yesterday it was confirmed that, in spite of Iran's balance of payments problems, the $400m. loan promised to the National Water Council would go ahead, although the timing is later than the Treasury originally indicated. The money will be paid in two tranches, on June 30 ($200m.) and in September ($200m.).

In addition, the amount available under the IMF standby—on the same terms as those agreed—has been increased by 45 per cent. as a result of the accord reached on quotas at the Fund's interim committee meeting in Jamaica last month.

This would add some $400m. to the $2.6bn. making three quarters of the required $4bn.

The loans either drawn or due for this year will bring the total of central government and public sector borrowing to finance the U.K.'s balance of payments deficit in the past three years to around $12bn.

● The CBI economic situation committee forecasts in its January report that output in the U.K. will rise by under 2 per cent. through 1976 and slightly more rapidly—perhaps by 2½ per cent. through 1977 on unchanged policies.

The CBI sees an improvement of £500m. in the U.K. balance of payments this year, but because of the recession and slow output recovery expects unemployment to rise to about 1.5m. by the end of the year (Great Britain, seasonally adjusted), implying a much higher crude figure.

CBI forecast, Page 8
TUC endorses boost, Back Page

LOMBARD

Questioning the validity of debts

BY C. GORDON TETHER

AS EVERY money-lender knows only too well, there is one thing that is almost certain to happen when borrowers are allowed or encouraged to incur debts of an order that they cannot shoulder with reasonable comfort. They will start to question the validity of their indebtedness—taking the view that obligations arising from the transfer of money that has been created with such seeming ease can hardly be regarded as so sacrosanct that the borrower has a moral duty to meet the repayment terms to the letter, whatever this may cost him.

It is clear that questioning of this kind is now becoming a significant feature of the scene in the Third World, where the servicing of the huge foreign debts that have arisen from the heavy inflow of U.S. and Euro-currency market loans is now presenting an increasingly serious problem.

And it would be hardly surprising if it were to spread to the advanced world—given the tendency there for the indebtedness of the community at large to the domestic financial institutions to reach such proportions that doubts are being expressed in many countries as to whether it will be able to cope with the interest service and repayment requirements.

Exhausted

For some time now, many developing countries have found themselves having to raise new loans abroad on a large scale to obtain the foreign exchange needed to meet interest charges and amortisation commitments in respect of old debts. In not a few instances, however, the limits of that process are now being reached — as the Argentine Economics Minister pointed out this week when he explained why his country was turning to the International Monetary Fund for help. Their credit-worthiness is seen in the international capital markets as having been exhausted.

The outcome is growing support for the proposition that the developing countries should be allowed, as a general rule, to declare a moratorium on their external indebtedness which would last until the whole question of its future had been thrashed out in collaboration with the creditor countries. And the dimensions the problem has assumed may be gauged from the fact that, in some cases, debt servicing is now absorbing as much as a quarter to a third of foreign currency earnings.

The Peruvian Foreign Minister gave public expression to the new thinking at last month's UNCTAD conference in Manila. The idea was later taken up at the meeting of the Latin American Economic System at Caracas. And it seems that the Peruvian authorities now intend to sound out American attitudes to it during Dr. Kissinger's forthcoming visit to Lima.

It is generally recognised in the developing countries that the inflow of money from the international capital markets has been a big help in enabling them to limit the damaging impact of the world economic slowdown on their development programmes. But there can be no doubt that there is also a widespread feeling there they have been allowed—indeed encouraged—to become caught up in a basically unfair process.

They see it as having resulted in their incurring onerous repayment obligations in respect of money that the international financial community had created—if not out of thin air—then at very little trouble and cost to itself.

The great upsurge in international lending activity that has been such a striking feature of the world scene since the opening of the 1970s is, in short, beginning to lead to a serious questioning of the rights and wrongs of this whole system of money creation. And we are almost certainly going to hear a great deal more about it so far as the Third World is concerned in the months ahead.

Printing press

And it seems highly probable too, that the theme will be taken up, though in a somewhat different way, in those affluent world countries—and there are quite a few—that have developed large domestic indebtedness problems as a result of the steep rise in public sector borrowings from the financial community in recent years.

It is customary to complain a great deal nowadays about the governmental practice of creating funds to finance budget deficits by turning the money printing press. What attracts remarkably little comment is the fact that, in many countries, the financial system is allowed, having come into possession of the money so created, to lend it back to the State at high rates of interest—thereby entitling itself to draw tribute from the taxpayer for a service that it has cost it very little to perform.

It may well be that, with the indebtedness of the rest of the community to the financial institutions growing at the pace it is, this matter will be attracting far more attention from now on. Certainly, nothing is going to be lost in giving it the airing it has long needed.

RACING — BY DOMINIC WIGAN

Success for Floating Pound

IN WHAT amounts to a two-horse race, *Grand Canyon* is likely to prove too good for his highly-rated, but inexperienced rival *Tiepolino* in to-day's Sidney Banks Memorial Hurdle at Huntingdon.

Grand Canyon, who made a totally out of character mistake when blundering at the third flight in Stratford's SKF Hurdle for Future Champions last week, had previously gained several highly impressive victories—including a full-length Ascot success over Supreme Halo. A return to that form should see him home.

Tiepolino, the Daily Express Triumph Hurdle favourite and Grand Canyon's only serious rival, made several minor errors before getting home by the minimum distance from Havanus at Chepstow last time out. He will have to be a good deal more polished here if he is to keep in contention with the front-running Grand Canyon.

Another interesting race with a small and select field is the 2½-mile Ely Chase, which has attracted *Floating Pound* and *Summerville*. Here Floating Pound, who completed a hat-trick when out-pacing his old rival Lord Browndodd in the Embassy Premier chase final at Haydock on January 24, is sure to head the market. Although he will probably oblige, I expect Summerville, a 15-lengths winner from High Ken at Worcester on his last appearance, to make it a fierce struggle.

Floating Pound's trainer, Fred Winter, could also win with *Nereo*, among the runners for the Whittlesey Chase. One whom I slightly prefer here, however, is the consistent *Kilmore Boy*, who kept on gamely to finish a full length's runner-up to Roman Holiday in the Peterborough Chase over this three-mile course and distance early in December.

Reproduction of that form ought to enable Kilmore Boy, ridden by Brian Fletcher, to gain his tenth success since the start of last season.

At to-day's other meeting, Haydock, where the Queen Mother can take the afternoon's feature event—the premier long-distance hurdle—through *Sunyboy*, a sporting nap could be *St. Tryst* in the Dean Dam Opportunity Hurdle won a year ago by his trainer, Neville Crump, with the 14-1 chance. Hopeful Subject.

HUNTINGDON

1.15—Railway Child
1.45—Hopeful Curtis*
2.15—Floating Pound
2.45—Grand Canyon**
3.15—Kilmore Boy
3.45—Blue Bidder

HAYDOCK

2.00—Inistioge
2.30—Sunyboy
3.00—Young Somers
4.00—St. Tryst***

SALEROOM — BY ANTONY THORNCROFT

Oak shines at Horam Hall

FRESH FROM its success in disposing of the contents of Stonor Park last month, Phillips went into the country again yesterday. It sold items from Horam Hall, a Tudor house near Thaxted, Essex, for £70,410, as against an estimate of £40,000 plus.

Horam Hall is the home of a City mining specialist, Mr. Michael Ward Thomas, and his wife the novelist Evelyn Anthony. It was visited by Queen Elizabeth I at least twice.

Most prices yesterday were about a third higher than forecast, with a top price of £4,800 from Shield and Allen for a late 17th century Antwerp tortoiseshell and ebonised cabinet on a stand. A similar cabinet was bought by Whitfield for £2,800.

High prices for English oak were a feature of the auction. A 16th century four-poster bed, perhaps slept in by Queen Elizabeth I, sold for £2,400 to Rose; a James II credence table made £2,300 to La Salle; and a Cromwellian refectory table was bought by Setto for £1,550.

Among the other notable results were £2,400 from Woods for an early 17th century Antwerp tapestry; £3,000 from Morgan for a painting, *An Allegory of Plenty*, attributed to Van Balen; £1,300 from Shand for a 1589 portrait of Lord Burghley by A. Van Brounckhorst; £1,300 for a part suit of 17th century Nuremberg armour; and £70 from the dealer R. P. Lee for a reproduction of a medieval chastity belt.

On Tuesday, Phillips established a record for one of its furniture sales. Yesterday it was the turn of King and Chasemore in Pulborough to do the same when it brought in £72,580. A 17th century walnut and marquetry bureau bookcase was bought by Heath Bullock for £3,100, and a pair of Regency mahogany bookcases fetched £2,400.

The returning confidence in continental paintings, which suffered more than most in the great price decline of 18 months ago, was underlined at Sotheby's yesterday when a successful auction brought in £248,200. Almost a quarter of the lots were sent for sale by continental sellers, and most returned across the Channel.

The top price was £8,500 from a Dutch dealer Bouwman, for an 1899 work by Hendrik Mesdag of a fishing fleet. A private buyer bought an early 19th century picture of summer flowers by the Austrian artist, Johann Drechsler, for £8,500, and a work by the German artist, Carl Spitzweg, of an old man on a park bench went to the Gallery Buhler for £7,600. A Mediterranean fishing village by another German, Andreas Achenbach, sold for £7,400, and an 1853 winter scene by the Dutch painter Barent Koekkoek sold for £6,200.

Sotheby's also had a successful sale at Belgravia selling continental furniture and other works for £33,429. Virtually everything sold with the emphasis on middle-priced furniture for export. The Petit Musée of Montreal, which is very active in London this week, paid £1,100 for a 19th century Italian marble table, and an early 20th century Egyptian export pedestal desk made the same price.

There was also a wine sale at Sotheby's, which made £37,600. Prices were firmer than last year, especially for claret of the best vintages. For example, château-bottled Château Beychevelle 1966 was fetching £41 a dozen and the 1970 vintage £36. These prices are still 30-50 per cent. below Bordeaux merchants' quotes.

Christie's at South Kensington yesterday sold discarded furniture from the attics of Harewood House, the Yorkshire home of the Earl of Harewood, for £18,737. Much of it had been undisturbed for more than a century. In the King Street saleroom, a carriage clock and watch sale totalled £73,261, indicating that this market, too, is more buoyant than last year.

The best price was £3,200 from Graus for a Swiss gold hunter cased calendar-chronograph. He also paid £2,600 for a Swiss gold and enamal watch of around 1810. Among the carriage clocks, a French clock, made for the Chinese market, sold for £1,500 to Temple Brooks.

Finally Glendining showed the strength of the coin market by auctioning gold coins for £116,592. The highest price was the £7,200 from Baldwin for a 1675 Charles II two guineas.

WINTER OLYMPICS

A second Alpine gold for Rosi Mittermaier

INNSBRUCK

WEST GERMAN Rosi Mittermaier raced to her second gold medal of the Winter Olympics to-day when she won the women's slalom with two flashing runs on the steep and icy Birgitzkoepfl slope. The 25-year-old skier, chanted to victory by hundreds of fans, added the slalom gold to the downhill title she won on Sunday.

Her total time of 90.54 seconds was 33 hundredths faster than Italian Claudia Giordani who took the silver, 1.33 seconds clear of Hanny Wenzel, Liechtenstein's world slalom champion.

Britain's Valentina Iliffe finished 15th of the 20 finishers (out of 43 starters) with a time aggregate of 1:40.14.

Miss Mittermaier said she had skied as fast as she could in the second race. "I hoped it would be as hard as it was. I had no problems in concentrating but I did not think about a second gold."

She is only the third woman to win two Olympic Alpine golds and the first to win the downhill and the slalom.

Miss Giordani said she was exteremely happy to have got a medal. "But I might have had the gold. I lost my hat right at the top and I lost time because I had to grab at it. This broke my concentration."

Miss Wenzel, 21, said: "This bronze medal makes up for all the other disappointments this season."

West Germany's Pamela Behr, who led after the first leg, made a bad mistake near the end of the second run and could finish only fifth behind Daniele Debernard of France.

The French girl, silver medallist at the 1972 Sapporo Olympics, was third after the first leg but was unable to get into full stride on the fast first half of the second course and dropped over a second on Miss Mittermaier.

Among those to go in the first leg was hot favourite Lise-Marie Morerod of Switzerland, who went off at a very difficult gate which also claimed her compatriot, Marie-Therese Nadig, and Austria's Monika Kaserer.

It was a disastrous day for Austria as none of their four skiers finished. Miss Kaserer and Regina Sackl fell in the first leg and Brigitte Totschnig and Nicola Spiess did not complete the run.

In the men's speed skating, Norwegian fans noisily celebrated their first Olympic victory for eight years when Sten Stenson took the 5,000 metres gold medal. Norway, who came away from the 1972 Olympics without a speed skating gold, re-discovered the winning trail when Stensen beat two Dutchmen to the title. Conditions were bad and times generally slow.

Stenson, 29, clocked 7 minutes 24.48 seconds, over two seconds outside the Olympic record set by Norway's last speed skating gold medallist, Fred Maier, in 1968.

High humidity and wet snow on the track meant that times were generally slow though Hans van Helden, of Holland, who set a world record of 7 minutes 7.82 seconds two weeks ago, boosted the track mark to 7:26.54.

In turn, Stensen later sliced two seconds from the Dutchman's time before Dutch veteran Piet Kleine squeezed between the two for the silver medal. Russia's Viktor Varlamov was the best-placed Soviet skater in fourth position.

At Seefeld, a series of errors and mishaps added spice to the men's four x 10 kilometres cross-country relay race in which Finland took their second Nordic gold of the games. Norway landed the silver medal after East Germany, second on the initial leg, suffered some disastrous luck which l... exit from the comp...

In the women's f... Dorothy Hamill of ... States seized the ... superb performance ... programme. Miss ... won the programm... sory moves to tak... ahead of West Ger... de Navarre, who l... compulsory figures ...

The free skating, ... for 50 per cent. of ... will be held on Fri...

European champi... Leeuw of Holland ... second place but ... averaging 5.7 ... as Miss Hamill's. S... by American ... McGowan who gave ... for the required ... 5.2 for presentation ... Reuter

To-day's program... 8 a.m.: women's 4 ... country; 9 a.m.: m... speed skating; noon: ... ice hockey.

John Curry, Britain's title-winning figure skater, in Innsbruck yesterday.

TV/Radio

† Indicates programme in black and white.

BBC 1

7.20 a.m. Open University. 9.41 For Schools, Colleges. 12.15 p.m. On the Move. 12.45 News. 1.00 To-day at the Winter Olympics. 1.45 Trumpton. 2.00 You and Me. 2.15 For Schools, Colleges. 3.20 The 60, 70, 80 Show. 3.58 Regional News (except London). 4.00 Play School. 4.25 The Wombles. 4.30 Jackanory. 4.45 Blue Peter. 5.10 John Craven's Newsround. 5.15 Charlie Brown. 5.40 Ivor the Engine.

5.45 News.
6.00 Nationwide.
6.45 To-morrow's World.
7.10 Top of the Pops.
7.40 Happy Ever After.
8.10 When the Boat Comes In.
9.00 News.
9.25 The Good Old Days.
10.10 Olympic Grandstand.
10.40 Omnibus.
11.30 To-night.

All Regions as BBC 1 except at the following times:—

Wales—1.45-2.00 p.m. Chigley. 5.15-5.40 Bilidowcar. 6.00-6.45 Wales To-day. 6.45-7.10 Heddiw. 9.25-10.10 Welsh Sports Personality of the Year. 12.05 a.m. News for Wales.

Scotland—9.41-10.01 a.m. For Schools. 6.00-6.45 p.m. Reporting Scotland. 12.05 a.m. Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.45 Scene Around Six. 12.05 a.m. Northern Ireland News.

England—6.00-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

6.40 a.m. Open University.
11.00 Play School.
5.25 Open University.
7.05 Avventura.
7.29 Weather.
7.30 Newsday.
8.10 Chronicle.
†9.00 Midweek Cinema: "Showboat," starring Paul Robeson.
10.50 Film Night.
11.15 Newsnight.
11.30 Closedown: Joy Parker reads "Taller to-day, we remember" by W. H. Auden.

LONDON

9.30 a.m. Schools Programmes. 12.00 The Laughing Policeman. 12.10 p.m. Pipkins. 12.30 Perfect Pets. 1.00 First Report: News, FT Index. 1.20 Lunch-time To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Couples. 3.00 Moody and Pegg. 3.55 General Hospital. 4.25 The New Land. 5.20 Indoor League Championship of Champions.

5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 The World at War.
8.00 This Week.
8.30 Bless This House.
9.00 Clayhanger.
10.00 News.
†10.30 Thursday Star Movie: "The Bachelor Party," starring Don Murray.
12.10 a.m. Rites and Ritual.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. 4.25 The Romper Room. 4.55 Spiderman. 5.20 The Geordie Scene. 6.00 About Anglia. 6.20 Arena. 7.00 Six Million Dollar Man. 10.30 Play Squash Jonah's Way. 11.00 Griff. 11.55 Living and Growing for Adults. 12.30 a.m. Christians in Action.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 4.25 Feature Film: "Sierra," starring Wanda Hendrix and Audie Murphy. 6.00 ATV Today. 7.00 Space 1999. 10.30 Columbo. 11.55 Eric Delve.

BORDER

†1.20 p.m. Border News. 2.00 Women Only. 4.25 Lassie. 4.50 Return to the Planet of the Apes. 5.20 Indoor League. 6.00 Border News and Lookaround. 7.00 The Six Million Dollar Man. 10.30 Mystery Movie: "The Deadly Dream," starring Lloyd Bridges. †11.55 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 4.25 Children's Matinee: "Tarzan Goes to India." 6.00 Channel News. 6.10 Adventures of the Seaspray. 7.00 Six Million Dollar Man. 10.30 Inner Space. 11.00 Chopper One. 11.30 News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.00 Women Only. 4.25 Tarzan. 5.20 Batman. 6.00 Grampian Today. 7.00 The Six Million Dollar Man. 10.30 Sportscall. 11.10 Police Surgeon. 11.40 Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. 4.25 The Flintstones. 4.50 Survival. 5.15 Dodo. 5.20 Crossroads. 6.00 Granada Reports. 6.30 Command Performance. 7.00 The Six Million Dollar Man. 10.30 Good Health. 11.15 Kung Fu. †12.00 a.m. Silents Please.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.25 Tarzan. 5.20 Daily Fable. 5.25 Crossroads. 6.00 Report West. 6.18 Report Wales. 6.35 The Best in the West. 7.05 Six Million Dollar Man. 10.30 Trash or Treasure. 11.00 Police Story.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.25-4.50 Bie Yn Y Byd . . . ? 4.50-5.20 King Kong. 6.00-6.18 Y Dydd. 6.35-7.05 Sports Arena.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Sport West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Women Only. 4.25 Tarzan. 5.20 Laceybuttonpoppers. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Larry Looks Lightly. 7.00 Space 1999. 10.30 Griff. 11.25 Late Call.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 4.25 Tarzan. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day by Day. 6.35 Survival. 7.00 The Six Million Dollar Man. 10.30 Your Men at Westminster. 11.00 The Late Thursday Film: "Cutter" (TV movie). 12.20 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Women Only. 4.25 Lassie. 4.50 Return to the Planet of the Apes. 5.20 Tell Me Why. 6.00 To-day at Six. 7.00 The Six Million Dollar Man. 10.30 The Streets of San Francisco. 11.35 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.23 Ulster News Headlines. 4.25 Born Free. 5.20 Indoor League. 6.00 UTV Reports. 7.00 Six Million Dollar Man. 10.30 Let's Play Bridge. 11.00 What's It All About.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.25 Children's Matinee: "Tarzan Goes To India," starring Jock Mahoney. 6.00 Westward Diary. 7.00 Six Million Dollar Man. 10.30 Westward Report. 11.00 Chopper One. 11.30 Westward Late News. 11.35 West Country Job Finder. 11.40 Faith ...

YORKSHIRE

1.20 p.m. Calendar News. 4.25 Lassie. 4.50 Return to the Planet of the Apes. 5.20 Indoor League Championship of Champions. 6.00 Calendar. 7.00 Six Million Dollar Man. 10.30 Emmerdale Farm. 11.25 A Matter for Concern.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including the new Top 30 LPs and at 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 1,500m and VHF

RADIO 3 464m, Stereo & VHF

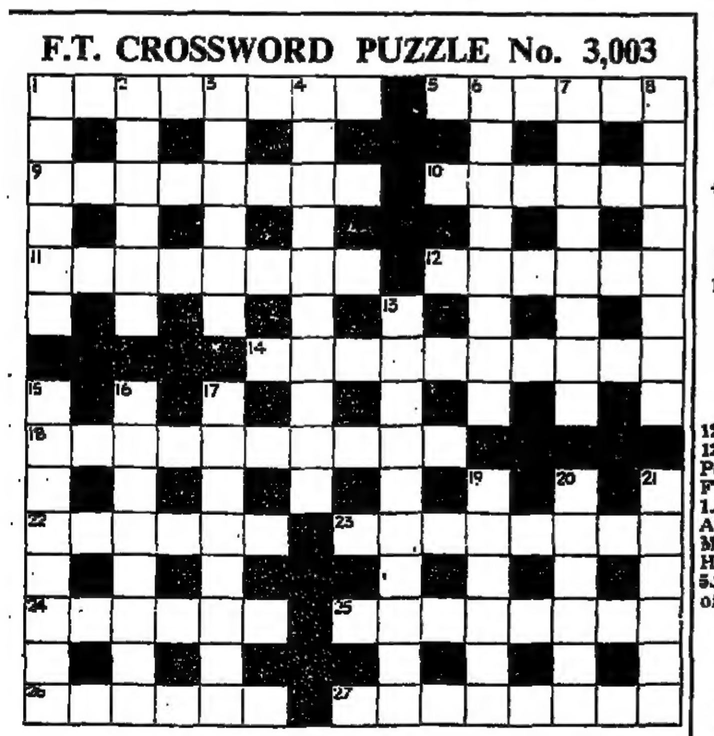
RADIO 4

BBC Radio London

London Broadcasting

Capital Radio

F.T. CROSSWORD PUZZLE No. 3,003



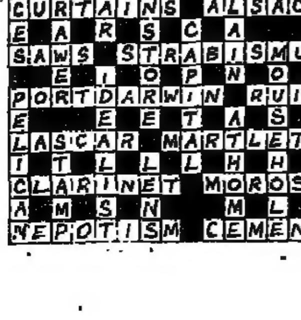
ACROSS

1 Paper for a dunce (8)
5 Use conversational approach after a bird comes up (4, 2)
9 Carriages for number ten in the popular ratings (8)
10 Cuts the devil aboard (6)
11 Upset an open samovar (8)
12 Violent quarrel causes the car to put back (4, 2)
14 In the island we see the crazy commander's automobile (10)
18 "Though banished, yet a true-born ——" (Richard II) (10)
22 Sit back round the levies (6)
23 Acquiescence cuts out the Socialists (3, 5)
24 Assaults with misshapen stones (6)
25 "Nor any-unborrowed from the eye" (Wordsworth) (8)
26 It means the end at Twickenham (2, 4)
27 Weapon for an adherent (8)

DOWN

1 Act—have it in for the agent (6)
2 Strange orange animal (6)
3 Advice in this way for religion (6)
4 Consequences following one of the three Rs (10)
6 A title of French artists in Central America (8)
7 The watch is going in turf telegraphy (4-4)
8 Ignore the left in international permit (8)
13 Presidential residence translated in Morocco (10)
15 Townsend might be rusticated (4, 4)
16 They have no feelings of altruism (8)
17 Rich man found on heath stripped (8)
19 A chap leaves the city in a hurry (6)
20 Coloured girl loses her head on the way out (6)
21 Express quarter in the island (6)

Solution to Puzzle No. 3,002



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. (01-836 3161) ENGLISH NATIONAL OPERA Tonight at 8 Gala '76 at which H.R.H. The Duke of Edinburgh will be present. Seats still available. Tomor. & Wed. 7.30 Tosca. Sat. 7.30 La Belle Helena. Tue. 7 Der Rosenkavalier.

COVENT GARDEN.

THEATRES

GARRICK. 01-836 4601. Evgs. 8.15. Mat. Wed. 3.0. Sat. 6.00 and 8.40. RICHARD BRIERS "Marvellous" Gdn. ABSENT FRIENDS "ALAN AYCKBOURN'S FINEST FUNNIEST PLAY." H. Hobson, S. Tms.

GLOBE. 01-437 1592. Evenings 7.30.

SAVOY. 836 8888. Mats. Wed. at 2.30 ... Barbara MULLEN and ... in AGATHA CH... MURDER AT THE V...

SHAFTESBURY THEATRE. Evgs. 7.30. Mat. Thu...

CINEMAS ARE CONTINUED ON PAGE 14

Leonard Burt

Scales and Derek Godfrey in Frank Marcus's new translation of Schnitzler's 'Anatol,' which opened last night at the Open Space

York theatre

A matter of little consequence

by GEORGE OPPENHEIMER

he plethora of revivals finally come a new A Matter of Gravity Bagnold. Unhappily, the presence of Hepburn as its star, it to enliven the season. urn—how shall I put s Hepburn, this time aristocratic old lady with her grandson in English country house. ons best known to the e grandson, Nicky, ask two couples down eekend—a rather dig- leman and his rowdy ale lover and a disagreeable lady and end, Elizabeth. Nicky much too promptly. e with Elizabeth, who ive physically but unattractive spiritu- accepts his proposal se she likes the house he will inherit it. ings are taking their course in the living- ngularly handsome set Edwards), the obese usily practising levita- e kitchen. Miss Hep- es her rising off-stage eiling (and getting over her hair) and at she is confronted acle. Simultaneously that this ascent pro- le for the play and

matters even more back in the living- beth confesses that black. In the third ears later, the grand- zabeth, now his wife, announce that they children, one "coal the other "dead ey are also at odds other and, it seemed s rather disappointed that grandma hasn't kicked the bucket and left them the house. Grandma makes amends for her protracted life span by going away with the cook to an asylum. Are there any questions? By the time the curtain fell, I had so many that they could not have been answered in another evening.

Frankly I didn't much care since Miss Bagnold's play left me with an indifference bordering on the supernatural. It may well be that I am getting rather tired of enigmas, acrostics and Flosetta Stones.

Noel Willman has directed a cast, none of whose members impressed me with the exception of Paul Harding, warm and believable as the older deviate. As for Miss Hepburn,

Book Reviews appear on Page 15

she contrives to ride this ramshackle vehicle with her customary aplomb. I'm afraid, however, that what it gets down to is a comedy of mannerisms.

The rest are revivals. The Phoenix, the best of all our acting companies, has brought back a double bill of Tennessee Williams's 27 Wagons Full of Cotton, a sultry Southern one-acter in which Meryl Streep, a relative new-comer shines as a dim-witted and over-sexed poor white. It is an amusing playlet, well played and directed by Arvin Brown who is incapable of doing anything but superior staging.

He has also directed the second item, *A Memory of Two Mondays* by Arthur Miller. This autobiographical slice of life in a warehouse is to-day as minor an effort as it was two decades ago, despite the fact that Miller considers it one of his finest accomplishments. The action, such as it is, is dispersed among a large amount of dull characters. A boy, who is about to quit for greener pastures, is the central character and also, I suspect, Mr. Miller in bygone days, which may account for his fondness.

The second Phoenix contribution is the half-century-old *They Knew What They Wanted* by Sidney Howard, the tale of a mail-order bride, her ageing husband and a handsome young foreman whose picture the oldster has substituted for his own in order to lure the bride. It holds up rather well despite an excess of sentimentality mixed in with genuine sentiment. There is also a lovely performance by Lois Nettleton as the lady in question and in a quandary when she discovers the deception.

Jules Feiffer, the playwright and cartoonist, has contributed another conundrum that gives *A Matter of Gravity* strong competition in befuddlement. It has to do with two elderly recluses living in a hut in the woods. One of them presses a lamp and gets three wishes, the first of which causes his room-mate to disappear and a strange man of many faces to take his place. Joan of Arc (in the person of an enchanting lady named Nancy Snyder) also drops by and invites the two men (the vanished one has returned) to accompany her to heaven. However, it seems she is also Cinderella and reverts to this identity in the middle of the bewilderments.

Why don't they revive *Peg o' My Heart*? I had no trouble whatever understanding that and I was only a broth of a lad.

Scott's Club

Woody Herman

by KEVIN HENRIQUES

usly roaring in t's until the end of the latest edition Herman's almost un- n of youth-packed, Herds—these days ly described as

only 62, Herman has ccessful bandleader, few years' hiatus. The attribute which set him apart from s fellow leaders has serving belief in and nt of young, un- ians, both as players ers and arrangers. t ensures that his ain lively, never eotyped and never, nostalgia to attract

nt 15-piecer (five ree trombones, four ree rhythm) is no t is a hearty, full- revelling in exciting, fast-paced tunes but dynamically balanced to do justice to a ballad such as Ray Noble's "The Very Thought of You." Admittedly this is an untypical item in the 1976 repertoire which is notable for containing modern-idiom pieces by such contemporary muscian/composers as Chick Corea, Billy Cobham and Chuck Mangione.

With a nod to a bandleader he admired, Herman does play a Duke Ellington medley and to satisfy older listeners throws in a couple of his own past successes, "Four Brothers" and "Apple Honey."

But this is no nostalgia trip (those hoping for in-vogue 1930s-1940s nostalgia should stay away). For Herman has never believed in basking in past glories or in regurgitating the music of yesteryear ad nauseum. Always the bands he has brought to Britain have been powerhouse outfits whose collective playing has, with notable exceptions, been far more impressive than its individual players. This is presently true. Of the featured soloists highest acclaim must go to trombonist Jim Pugh for his dextrous slide work and glissandi effects.

Tenor-saxist Frank Tiberi, who must be the longest-serving member of the present band, gathers hold of that rarely heard instrument in jazz, the bassoon, for "Where is the Love?" on which he is voiced with an alto-flute—an effective piece of scoring. The rhythm section has a spot to itself and on Monday this trio of youngsters caused a surprise by playing the original tune called "Day by Day," not the later version. Then there is Woody Herman himself, more than passable on clarinet, soprano and alto sax, usually preferring to be in the high register, soaring away and leading his band of enthusiastic, un-bored (even past 2.30 a.m.) disciples with amazing zest.

Hall

Bartok by RONALD CRICHTON

Solti's new series of s with the London opened on Tuesday ramme of Bartok. e, which Bruckner Mozart, are to be evenings—Beet- nsky, Mahler. Solti big works from decade, the Diver- ich refuses to lie classed as a small it is adequately er modest the com- nds and brief the tion), the Second rto, the Concerto

ormance of the was more than pite of some untidy string ensemble, a erm untidiness that e like quickened responses than indifference. Solti's Bartok, while it has lost nothing of the well-remembered, burning vitality, seemed on Tuesday less concerned than before with surface polish. He gave an unusually complete view of these late works, in which Bartok came to terms with a wider public than is ever likely to love his harder music, without making enfeebling concessions, in full possession of the means to write approachable music on a larger scale than any composer outside Russia 35 years or so back. The playing of the Concerto for Orchestra was tough and lusty as well as brilliant, full of a humanity not always entirely likeable, Bartok warts and all.

The Violin Concerto, with Kyung-Wha Chung as splendid soloist, was the high point of a richly nourishing evening. As usual she was good to watch, crouching over her instrument like a great cat, as if she might suddenly pounce and tear a few viola-players to shreds. But more to the point, she played on Tuesday with a degree of imaginative identification that made a few not absolutely precise phrases seem nothing.

The outer movements had the strength of a bent bow and a vibrancy in the tone that never once sounded like calculated effect. The slow movement (whose searching, ghostly beauty makes one regret Bartok was discouraged by his first interpreter from writing the whole work as a series of variations) was memorable. What a master he was of transition from mood to mood. How surely he re-establishes the opening mood of troubled quiet in the course of the ten closing bars!

Young Vic

As You Like It

by B. A. YOUNG

A pretty *As You Like It* in a simple, rustic vein. It will be better when it moves a little faster at the beginning; the sharp exchanges between the girls and the members of Duke Frederick's court are not really very amusing, but they can be made to seem so if they are bounced about like squash-balls.

As often happens in this anti-romantic age, the production scores best in outright comedy. Andrew Robertson's Touchstone is dressed like the Mad Hatter, and he has the rare knack of speaking those little gussets of comic philosophy as if they came naturally into the conversation. Jaques wears a topper too (the costume period is predominantly Victorian but not dogmatically so); Michael Graham Cox sensibly refrains from trying to make his lines actually funny, which they seldom are except insofar as other people find him a laughable character.

Joanna McCallum is an enchanting Ganymede once she's free of Rosalind's pretty bustle-skirted dress for Act One. She is genuinely boyish in looks and movement, even if she's self-conscious about her wit. Having announced that she will tell us who time trots with, ambles with, gallops with, she then produces each clause as if she had just plucked it out of the air. She speaks the epilogue beautifully even though she is breathless from dancing. A most likeable performance on the whole. On the other hand I couldn't warm to Janine Duvitski's Celia with her funny baby voice.

Alun Lewis as Orlando, dressed perhaps by Austin Reed's great-grandfather, gives that rather neutral character enough charm to justify Rosalind's incontinent affection for him. He fights a tough bout with Michael Mallinson as Charles, though neither of them is very scrupulous about the rules, if there were any rules.

Among the smaller parts Denise Coffey runs riot as Audrey, a foul slut indeed, in a way that genuinely suggests clowns; when she and Mr. Robertson are at work together the text has to look out for itself. Phebe, the other girl among the country copulatives, is given a neat, clean appearance and a Kensington accent that seem to me out of character; no wonder she is so unwilling to wed Albert Welling's common Silvius and settle down to keeping sheep again.

Record Review

From Bruges to Bilbao

by ELIZABETH FORBES

Korngold. Die tote Stadt. Neblett, Kollo, de Ridder, Prey, Luxon Bavarian Radio Chorus/Munich Radio Orchestra/Leinsdorf. RCA ARL3-1199 (three records in box) £8.97

Mahler. Das Lied von der Erde. Ludwig, Kollo/Berlin PO/Karajan. DG 2707 082 (two records in box) £6.50

Stravinsky. L'Histoire du soldat. Gielgud, Courtney, Moody/Boston Symphony Chamber Players. DG 2530 609. £3.25

Weill. Happy End. Lenya/Chorus and Orchestra/Brückner-Rüggeberg. CBS 73463. £2.99

Erich Korngold was a youthful prodigy whose compositions were performed from his earliest teens by such conductors as Nikisch and Bruno Walter. Born in 1897 at Brno, he grew up in Vienna where his father Julius Korngold was Hanslick's successor as music critic of the *Neue freie Presse*. *Die tote Stadt*, his first full-length opera and greatest theatrical success, was written between the ages of 20 and 23; based on *Bruges la morte*, a novel by the Belgian writer Georges Rodenbach, the libretto, ostensibly by "Paul Schott," is in fact—as was disclosed last year on the work's revival by the New York City Opera—by the Korngolds, father and son. Paul is the name of the opera's protaganist, while Schott is the publisher.

Die tote Stadt was first performed simultaneously at Hamburg and Cologne in December 1920, but its overwhelming popularity dates from the production a few weeks later in Vienna, with Karl Aagard Oestvig as Paul and Maria Jeritza in the double role of the dancer Marietta and the spirit of Marie, Paul's dead wife, whom Marietta closely resembles. Paul, who has turned his house in Bruges — the dead city — into a shrine to the memory of Marie, falls passionately in love with her double, the fascinating, amoral Marietta and finally strangles her with a plait of Marie's hair. Or rather he dreams that he strangles her, as the whole of Act II and part of Act III take place in Paul's imagination; cured of his obsession, both with the living and the dead, he can leave the city and begin a new life.

Presumably Julius Korngold kept his collaboration in the opera a deadly secret because of his official disapproval of late-Romantic, decadent music such as his son composed. The score of *Die tote Stadt* has a wholly personal flavour, its idiom is different from Strauss's but one cannot listen to Korngold's opera without being vividly reminded of *Die Frau ohne Schatten*, in which Oestvig and Jeritza had created the Emperor and Empress at the Vienna opera less than two years before they sang Paul and Marietta there. The similarity lies chiefly in the high-ranging vocal lines; here are also echoes of the Harlinquinade from *Ariadne auf Naxos* in the music for Fritz and Marietta's other companions, while she herself shares Zerbinetta's philosophy, if not her method of expressing it.

The evocation of the city of Bruges, with its myriad chiming bells, is skillfully worked into the orchestral texture—it was this gift for atmospheric scene-painting that Korngold put to such good use when, unable to return to Nazi-dominated Vienna, he later worked in Hollywood on the scores of *Captain Blood*, *The Sea Hawk* and other Errol Flynn films. In this RCA recording the Munich Radio Orchestra conducted by Erich Leinsdorf produces gorgeously full-toned playing which is nevertheless not allowed to swamp the voices. The smaller roles are all handsomely filled: Benjamin Luxon radiates sincerity as Paul's friend Frank; Hermann Prey sings Fritz's lovely Pierrot song with elegance; Anton de Ridder traditionally doubles Gaston and Victorin; but the opera consists chiefly of extended duets between Paul and Marietta.

Carol Neblett, who sang in the recent New York City Opera revival, copes effortlessly with the soaring lines of her music; she sounds appropriately frivolous as Marietta and, helped by the echo chamber, suitably ghostly as Marie, but except in the Lute song (a duet memorably recorded by Lotte Lehmann and Richard Tauber) she does not evince much feeling for the words. Jeritza, who chose the opera for her Metropolitan debut in 1921, contributes a fascinating piece on "The Challenge of Korngold's Marietta-Marie" in the booklet accompanying the records. Rene Kollo, though he is sometimes and understandably strained by the high tessitura, gets right inside the character of Paul, using the text most expressively to shade and vary an enormously long role written at a constant pitch of great intensity.

Rene Kollo is also tenor solist in the new DG version of Mahler's *Das Lied von der Erde*, with the Berlin Philharmonic conducted by Herbert von Karajan. The alto part is sung by Christa Ludwig; the same soloists have recorded the work for CBS with Leonard Bernstein and the Israel Philharmonic, fitting it comfortably onto one disc; the DG performance takes three sides, with Ludwig singing the Five Rückert Songs on the fourth. Bernstein, recorded live at a public concert, has a warmth and immediacy of emotional impact missing from the smoothly engineered Karajan set; but the soloists, in particular Ludwig, are in finer voice on DG and it is difficult to resist the playing, impeccable but never mechanical, of the Berliners.

There remains the question of the conductor: if you like your Mahler fierily and passionately committed, then Bernstein is your man; if you want these songs treated with more reserve, with their raw emoions clothed in a decent veil of reticence, then you will prefer Karajan. He takes "Von der Jugend," the tenor's second song, very slowly, which creates problems for Kollo, but on the whole his tempos are soundly judged and "Abschied," with a whole side to itself, is marvellously shaped—and marvellously sung by Ludwig, who is also at her noble best in the Rückert songs. So, price apart, I would choose the DG.

As an antidote to Korngold's luxuriance there is Stravinsky's *L'Histoire du soldat*, also on DG, its spare, astringent score played with infectious rhythmic vitality by the Boston Symphony Chamber Players, and Ramuz' text, in the English version by Michael Flanders and Kitty Black, graphically spoken by John Gielgud (the Narrator), Tom Courtenay (the Soldier) and Ron Moody (the Devil); while to counteract Mahler's brand of pessimism I suggest the CBS reissue of songs from Weill's *Happy End*, invigoratingly punched out by Lotte Lenya. Though beneath their surface toughness, Brecht's lyrics for this tale of a Salvation Army lass in Chicago are sentimental to the core, Weill's music (and inventive scoring) transforms them, while Lenya's superb diction and inimitable phrasing illuminate "Bilbao Song," "Surabaya Johnny" and above all "Matrosen Tango"; just listen to her launching into "Ja, das meer ist blau. . . ."

Oxford Playhouse

The Bewitched

by GARRY O'CONNOR

Peter Barnes's treatment of the reign of the Spanish King Carlos II has a wayward and haphazard quality. To begin with, the King is an epileptic, and has enormous difficulty in siring a son to succeed him. But not much external action seems to have occupied Spain during Carlos's reign either, and except for the farcical efforts of their father confessor to hide a substitute for the impotent sovereign in the Queen's bed, and an auto-da-fé to show — yet again — the horror and excesses of the Catholic faith, the four hours and more of the historical parable are, presumably, meant to add up to a boisterously sickening image of our own day.

Perhaps they do. The continual obsession with priapic formation, infantile behaviour of those holding power, superstitious ignorance of medicine, scatological diagnosis, suggests Mr. Barnes is leaving no gall-stone unturned. The effect, though it has its moments of eschatological dignity is, however, largely gratuitous. The main reason for this may be that, dramatically, Mr. Barnes is trying to have his cake of obscenities and eat it—not the first in this line by a long straw. Another reason may be the total lack of spiritual subtlety with which the impotence scene is embraced.

Gregory Hersov's production begins promisingly with Carlos's father, a sombre declining figure played by Peter Bernhart, getting the procreation stakes off to a cracking start. But by sheer weight of numbers the flamboyant unprogressive scenes — examples are the sniffing of underwear to determine pregnancy, the extraction of molars for unspecified reasons—wear one down. The director would have been well advised to cut out a good half hour from the beginning of the second part. The two Queens, mother and daughter-in-law, played by Adrienne Thomas and Carolyn Colquhoun need to vary their abrasive quality when facing each other, and many of the long speeches from other characters remain on a single note. The blocking and movement is at times in need of drastic improvement.

On the plus side the text is rather more clearly enunciated and more confidently spoken than one might have hoped and the humour of the lines—usually stunningly obvious—seemed to work very well with the audience. Bill Buffery as the Confessor and Philip Franks as the spineless Carlos play with effective economy and the evening has an admirable scale and ambition.

Festival Hall's Silver Jubilee

The Festival Hall plans to celebrate its silver jubilee from May 2 to 12 with 12 concerts that will feature the five London orchestras, the Berlin Philharmonic and guest artistes Dame Janet Baker, Herbert Von Karajan and Artur Rubinstein.

Antony Hopkins is devising "an entertainment in vision and 'live' sound," to be called *Music on the River*, and James Archibald, chairman of the National Music Council of Great Britain, is producing a film, *Festival*, depicting the many facets of the Hall, from concerts to backstage life.

The BBC Symphony Orchestra will give an all-English programme on May 5 which will include the premiere of Racine Fricker's Symphony No. 1 for organ and orchestra, commissioned by the BBC for the occasion.

Other British composers to be presented in the jubilee concerts will be Benjamin Britten, William Walton and Michael Tippett. The BBC Concert Orchestra will present a concert of light music, *Salute to London*, on May 7.

Bicentennial concert by Boston Chamber Players

The Boston Symphony Chamber Players, who will be in London for their orchestra's concert at the Royal Festival Hall on March 8, have agreed to give a special concert at St. John's, Smith Square, on Sunday, March 7, in aid of the English-Speaking Union Educational Trust Fund's Music Section.

They will give Elliott Carter's Woodwind Quintet, Schoenberg's String Trio, Op. 45 and Schubert's Octet.

New associate conductor for RPO

Hans Vonk, currently artistic director of the Netherlands Opera and chief conductor of the Netherlands Radio Philharmonic Orchestra, has been appointed associate conductor of the Royal Philharmonic Orchestra. He takes up his appointment, for an initial three years, at the beginning of the autumn season in September. Mr. Vonk, who is 33 years old, will conduct the orchestra in four concerts in May.

WORLD TRADE NEWS

Poland to boost small car output

WARSAW, Feb. 11

POLAND PLANS to increase small car production this year by 30 per cent. over 1975, the Polish news agency PAP reported. This means total annual output of 120,000 cars, including 80,000 Fiat 126P and 40,000 Syrena cars, as well as 120,000 Fiat 126P power-units for export.

During the five-year plan 1976-80 the Fiat factories at Bielsko and Tychy in south-west Poland will produce a steadily increasing number of Fiat 126Ps, aiming at 140,000 in 1977 and rising to 200,000 by 1980.

PAP said in the present five-year period Polish and foreign customers would receive 800,000 Fiat 126P cars and 200,000 Syrenas in 1976, 20,000 Fiat 126P cars are destined for export, including about 5,000 for Hungary.

Reuter

EEC tax moves threaten U.K. cigarette market

BY DAVID CURRY

BRUSSELS, Feb. 11.

THE BRUSSELS Commission is asking the Council of Ministers to take a new step forward in the harmonisation of tax on cigarettes—and the proposals worked out by the Commission could pose a severe threat to the market for small cigarettes in Britain.

The proposal would oblige the British and Irish to accelerate their move from the present system of levying excise duty on the weight of raw tobacco in the cigarette to one on the value of the product. This would have the effect of pushing up disproportionately the cost of the small cigarette, the British market for which is dominated by Imperial Tobacco.

The attempts to harmonise excise duties on tobacco go back to 1970 when the Commission first set about bringing together the two systems of tax per cigarette that operated in the EEC. The Germans applied a specific tax per cigarette, regardless of its size, whereas the other five countries charged an ad valorem tax. This was particularly important to France and Italy. They were producers of cheap leaf and their tobacco monopolies were able to market cheap cigarettes whereas imports made with expensive virginia leaf were penalised.

The British system, based on taxing the leaf as it left the bonded warehouse, tended to favour the more expensive cigarettes since taxation was such a large factor in the final price that it made little differenece to the final retail price to use cheap leaf.

The EEC in 1970 took the first harmonisation step which provided that the specific component in taxation could be between 5 per cent. and 75 per cent. of the total exclusive of VAT. This first stage was to run to mid-1975 but was prolonged to a year following EEC enlargement. Britain and Ireland were given a deferment to the end of 1977.

Meanwhile the Germans have started moving towards the ad valorem system to enable fiscal revenues to keep pace with inflation, while Commission-sponsored research has showed that harmonisation on a predominantly ad valorem structure would cause the least disruption to business. However, the consultants made a case for a mix of ad valorem and specific systems to facilitate market inter-penetration.

The present proposals would instal a second stage of harmonisation from July 1977 to the end of 1980 when a final stage leading to total harmonisation would be introduced.

While essentially pursuing the same path as the first stage,e the new proposal establishes the specific component as a proportion of total tax take — VAT included — instead of a proportion of excise duty. The range in the proposal is for a specific component of between 15 and 50 per cent which, the Commission argues makes the scale of adaptation required by each State roughly equal.

Canada seeks early EEC negotiations

By Victor Mackie

OTTAWA, Feb. 11.

NEGOTIATIONS TO bring about a trade pact between Canada and the EEC are expected to get under way within three weeks. Foreign ministers of the EEC meeting in Brussels approved the talks on Monday after months of delay and negotiations this would be the first pact of its kind between a major industrialised county and the nine-nation Community.

The agreement envisaged would give Canada most-favoured-nation trading status with the EEC and promote further economic co-operation. External Affairs Minister Allan MacEachen said Canada is ready to start the talks this month. EEC sources in Brussels said the Community was also eager to open negotiations soon.

Mr. MacEachen said Canada will have three priorities in the talks, a basic trade agreement, some basis for future industrial co-operation with specific EEC members and a method for continuing consultation with the European countries. He said any trade agreement that is signed will be designed to avoid violating the GATT.

Mech. engineering dominates U.K. trade performance

FINANCIAL TIMES REPORTER

THE OVERWHELMING importance of mechanical engineering in the U.K.'s trade performance is again illustrated in the latest issue of the Government's overseas trade statistics, which show that the trade surplus in non-electric machinery amounted to nearly £2bn. in 1975, compared to £1.1bn.

The surplus in this sector was more than twice that achieved by road motor vehicles, although here, too, there was a sizeable improvement in 1975 over 1974: this was achieved despite a deficit of £22m. in passenger cars.

The other major exporting sectors also showed useful gains. Particularly striking was the improvement in electrical machinery, which two years ago had moved into deficit, largely because of heavy imports of consumer products and electronic components.

Less satisfactory was the performancse of iron and steel, where the production problems of the British Steel Corporation were mainly responsible for a large trade deficit for the second year in succession.

The trade surplus in textiles has continued to diminish—the sector was only just in the black last year—while the deficit in clothing, affected by substantial imports from low-cost countries, continued to increase.

SURPLUS (+) or DEFICIT (−) IN PRINCIPAL SECTORS (£m.)

	1975	1974	1973
Non-electric machinery	+1,957	+1,722	+887
Road Motor vehicles	+ 854	+ 659	+449
Chemicals	+ 770	+ 562	+375
Electrical machinery	+ 484	+ 121	− 41
Aircraft	+ 158	+ 126	+ 88
Textiles	+ 15	+ 58	+ 75
Iron and steel	− 138	− 164	+ 59
Clothing	− 240	− 172	−153
Non-ferrous metals	− 281	− 320	−122
Paper and board	− 417	− 527	−273

India plans ship purchases

By K. K. Sharma

NEW DELHI, Feb. 11.

THE INDIAN Government is negotiating with a number of countries, including Britain for the acquisition of 30 ships including bulk carriers for both the public and private sector shipping lines—the new ships should raise the Indian merchant fleet from the existing 6.4 GRT by 1m. GRT.

Offers have come from Japan, South Korea, Romania and Poland. The Government will choose those which have the best terms to offer, both as regards price and credit. Most offers are for a package deal that will involve building vessels of the same specification and arise out of the surplus capacity in the world's shipbuilding yards.

India's plans are to increase tonnage by at least 1m. annually so that by 1980 the fleet will be around 10m. tons. The object is to save foreign exchange now paid to foreign carriers since the national lines are able to carry only about 20 per cent. of cargo originating from here.

World Car Markets

Year of crisis for Argentina

BY ROBERT LINDLEY

BUENOS AIRES, Feb. 11.

THE AUTOMOTIVE industry in 1975 had a rough ride in Argentina, as did so much else. There was an unexpected recovery of the industry after the July crisis when monthly sales plunged, but the year ended with production trailing that of 1974 by 16.2 per cent., according to ADEFA, the association of automotive vehicle manufacturers. The trend actually was much more serious in as much as production in December, 1975, was 38.3 per cent. below what it was during the same month the year before. The year 1975 was the one of maximum crisis for the nearly 20-year-old Argentine automotive industry.

The crisis of course was manifested in many ways besides the decrease in production and sales. Big-car production gave way to that of medium-sized car production, which in turn gave way to that of small car production. The obvious causes were the rising prices of petrol, of maintenance and of purchasing. For example, a Citroen agent has commented that buyers of Citroen's smaller cars in 1975 no longer were white and blue collar workers, in the main, but consumers from the professional and business world. Apart from the State-owned IME, which makes cars powered by relatively cheap diesel, Citroen in 1975 was the only company which maintained its 1974 production level.

Even with its emphasis on small and medium-sized models, Fiat—which leads the industry in Argentina — suffered a pronounced decrease in production last year, not only because of a decline in sales, but because of labour troubles and shortages of raw materials. The big American subsidiaries of Ford, General Motors and Chrysler were saved from even further losses of production in 1975 mainly by their medium-sized models, respectively, Taunus; Opel and Avenger (called here the Dodge 1500). The Taunus and the Opel were new in Argentina last year.

ARGENTINE CAR SALES

	1975 Units	%	1974 Units	%
Fiat	58,231	24.26	74,287	25.94
Ford	38,085	15.86	53,938	15.33
Renault	38,096	15.8	39,724	13.87
Safrar (Peugeot)	21,511	8.96	28,271	9.87
General Motors	23,862	9.94	27,443	9.58
Chrysler	22,181	9.24	26,587	9.2
Citroen	18,653	7.70	18,344	6.4
I.M.E. (state-owned)	12,500	5.20	10,505	3.66
Mercedes Benz	6,720	2.79	6,849	2.39
Deutz Argentina	197	0.08	364	0.12
Total	240,036	100	286,312	100

SRI LANKA

Urgent need for foreign investment

KEVIN RAFFERTY, RECENTLY IN COLOMBO

MR. FELIX Dias Bandaranaike, Sri Lanka's Finance Minister, has set a timetable to get new legislation encouraging foreign investment to the island on the statute book by the end of March or early April. He hopes to get Cabinet approval for his draft bill within a matter of days.

Four years ago the Sri Lanka Government published a white paper on foreign investment, but it has taken a long time to formulate a bill because of the opposition of the Trotskyists within the ruling coalition of Mrs. Sirimavo Bandaranaike. The Trotskyists were kicked out of the Government last year, but Mr. Bandaranaike may still face fierce Cabinet argument from the Communist members of the coalition.

However he will point out that with per capita real growth of about 2 per cent. a year and unemployment of more than 800,000 (or more than 15 per cent. of the working age population) 40 per cent. of whom have been educated to GCE "O" level, with an economy heavily dependent on the traditional export crops of tea rubber and coconut, Sri Lanka badly needs a boost of foreign capital. In his budget speech late last year Mr. Bandaranaike even quoted Lenin as an advocate of the advantages that foreign capital might bring.

According to the draft bill before the Cabinet, there would be one unique feature of the Sri Lankan attempt to attract foreign investment—the leader of the Opposition would sit on the five-member committee which would decide on particular applications from foreign companies to set up in Sri Lanka. In another effort to get round objections that foreign investors might infringe on Sri Lanka's sovereignty, the Bill provides that after the foreign investment committee chaired by the Prime Minister had passed an application the National State Assembly (Parliament) could still veto it.

The Bill lays down several areas in which foreign investment applications would receive "preference." They include: production mainly for export; use of labour intensive techniques or intermediate technology; processing of local raw materials; or import substitution of essential consumer goods. If Sri Lanka is already well served in a particular area by local capital, foreign investment will not be allowed.

A foreign investor would have to agree "to take steps, gradually and progressively to convert itself into joint enterprise" with local capital.

Some foreign diplomats in Sri Lanka argue that a major disincentive to potential investors is the presence of the Business Acquisitions Act giving the Government powers to take over a company. The act was recently invoked to take over companies of a Briton who had refused to remit to Sri Lanka sterling proceeds obtained from London tea auctions last year. The man is understood to have decided to hold the money as assurance of compensation for the tea estates which the Government took over.

Mr. Bandaranaike has tried to meet this disincentive by providing that the Foreign Investment Law will override the Business Acquisitions Act, except in the narrow area of national defence and security, which the Government will still be allowed to invoke to take over a foreign investing company; but then the Government must provide "fair, just and prompt compensation."

The secretariat of UNCTAD, which was consulted about the draft, urged that the Finance Minister should have left himself with much wider powers of take-over and should have said the Business Acquisitions Act was overriden except for "national interests"—a much vaguer term.

The Government will not offer any special tax incentives to foreign investors. Most observers agree that domestically it would be politically impossible to promise. But Mr. Bandaranaike told me he hoped that there were a number of areas, sometimes involving small investments of only $5m. to $10m., where Sri Lanka would prove attractive. He pointed to the country's intelligent labour force—the island has 82 per cent. literacy rate—and low wages.

Some officials are hoping that joint investments using Western technology, Middle East money and Sri Lanka labour may prove attractive.

The government is hoping that the passing of the foreign investment law will coincide with an agreement in the talks of compensation to the former foreign, and mainly British owners of tea estates which the Government has taken over. This would mean there would no longer be a dispute between the Government and foreign companies and there could then be a full-blooded drive to explain the advantages of investing in Sri Lanka.

If and when the foreign investment law is passed one of the first companies to set up will probably be the First National City Bank. Representatives of the bank have this month had top-level talks in Sri Lanka and I understand have reached an agreement in principle. The bank

AMERICAN NEWS

Guatemala measures the damage

WITH AID moving out of Guatemala City into the provinces and with the final death toll still being computed—the latest figures are nearly 19,000 dead and 62,000 injured—diplomats and officials have begun looking at long-term reconstruction problems as well as at the impact of the disaster, Alan Riding writes from Guatemala.

Engineering teams have begun working to reopen the road from the capital to the Caribbean port of Puerto Barrios, closed by innumerable landslides and a collapsed bridge since last week's earthquake. Reopening highways is considered vital to prevent further damage to the economy and to help reconstruction.

Meanwhile in Washington, the administrator of the U.S. Agency for International Development, said that the U.S. would spend at least $7.5m. in emergency relief assistance for victims of the earthquake. A spokesman for the President's office in Caracas said that eVnezuela will spend $5.8m. in disaster aid to Guatemala.

More welfare

Welfare rolls increased for the third consecutive month last October, the U.S. Department of Health, Education and Welfare said, UPI reports.

Jobless drop seen

Unemployment in the U.S. may drop as low as 7 per cent. this Assistant U.S. Treasury Secretary Sidney Jones predicted in Brussels, AP-DJ reports.

'Out-missiled'

The Soviet Union has more missiles, more submarines, and more men under arms than the United States and the superior quality of some U.S. equipment has "never compensated completely" for this Russian advantage, according to a Library of Congress study quoted by UPI. But the U.S. had a superiority of 1,046 to 110 over the Soviet Union in advanced multiple warheads.

Judicial pay

Forty-four federal judges went to court themselves in Washington yesterday, reports David Bell, in an unprecedented attempt to force the Government to raise their salaries, which, they claim, have been seriously eroded by inflation. The judges blamed Congressional delay in agreeing to their pay rise for the fact that their salaries (currently some $42,000) have fallen in purchasing power by about $12,300 between 1969 and the end of 1975.

Orinoco plan

The Venezuelan Government plans to urge immediate approval of a programme aimed at limited production and refining operations in the Orinoco heavy oil belt, Venezuela's untapped reservoir of non-conventional petroleum writes Joseph Mann from Caracas.

Argentine minister mak[es] plea for economic reas[on]

BY ROBERT LINDLEY

BUENOS AIRES,

IN DECLARATIONS of unprecedented pessimism for Argentina's immediate future from a cabinet member, Economy Minister Emilio Mondelli has said that he is "tremendously worried about the destiny of the Republic and the hours we could have before us if we do not react immediately."

This was Dr. Mondelli's only reference to the growing political instability here, in his speech at a luncheon of the Chamber of Deputies' Budgeting and Treasury Committee. The rest of his remarks concerned matters connected with his portfolio.

"Nobody believes us any longer," he said. "We have gone on record with a series of objectives: to Argentinise companies, to Argentinise banks without knowing when or how we are going to pay for them, and this has left us without credit in the world."

Dr. Mondelli said that the result of the Argentine Foreign Investment Law, which is replete with obstructions to the entrance of foreign capital, is that "there is no investment at all."

Extremists to-day assassinated another senior armed forces officer, army colonel Rafael Raul Reyes, chief of the 601st anti-air artillery command headquartered in Mar del Plata, the Atlantic resort.

Col. Reyes was killed in his car by machine-gun fire in the centre of Mar del Plata as he was on his way to his command headquarters inside the city's Camet Airport. As yet no extremist group has claimed responsibility for the killing.

UPI adds: Sr. Lorenzo Miguel, leader of the Peronist Labour Movement, said that he would hold a news conference to-day to reveal the outcome of President Isabel Peron's attempts to reconcile their differences.

Sr. Miguel, head of the Metalworkers Union and the 62 organisations, and other labour leaders met with Mrs. Peron for three hours on Tuesday to discuss the growing seperation between the Government and labour. Labour leaders have said that they felt isolated from the President and that they disagree with her political strategy. They also said they fear that runaway inflation would totally wipe out recent salary increases.

Our United Nations [correspon]dent adds: A note [from the] Argentine Ambassa[dor] Carlos Ortiz de Rozas, here to-day as a Secu[rity Coun]cil document asserted [that the] British ship Shackl[eton] looking for oil whe[n it en]countered an Argent[ine] vessel in the vicini[ty of the] Falkland Islands last [...]

Dr. Ortiz de Rozas [said] it would have been "a[...] for the Argentine Na[val] force when the S[hackleton's] Captain ignored an or[der...] but only warning shots [were fired] because it was know[n...] carrying explosives.

The Argentine note [...] to the Council Pres[ident] Daniel Moynihan of [the United] States, referred to t[...] as "particularly ser[ious...] contrary to Arge[ntine...] governing research [...] under its jurisdiction.

He did not ask [for] specific action by t[he Council] beyond the circulati[on of the] note, but Britain h[as] reserved its right to [raise the] question in the wor[ld...] there are further inc[idents...]

Saudis likely to buy less arms from US

BY DAVID BELL

WASHINGTON, Feb. 11.

THE UNITED States is about to sell Saudi Arabia a further $1.2bn. worth of arms but the American Government has also had indications from the Saudis that declining oil revenues may cause them to reduce their purchases in the future.

Last year the administration told Congress that the Defence Department, which handles all arms sales to foreign governments, expected to sell $4.5bn. worth of equipment to the Saudis in the fiscal year ending this June. But since then, according to administration sources, the Saudis have begun to change their mind about buying as much as this, partly because of declining oil revenues and partly because of the Saudi commitment to finance Jordan's arms purchases.

The White House and the Pentagon have not yet revealed details of the latest arms sales but they are expected to include $900m. for the construction of naval facilities, $300m. for Maverick air-to-ground and Dragon anti-tank missiles and M-60 tanks to replace the nation's existing American tanks.

When the Administration finally announces the proposed deal, Congress will have 20 days to decide whether it is in favour of it before it goes ahead. In the past there has been little opposition to sales to Saudi Arabia but recent criticism of Saudi policy towards the admission of blacks, women, Jews and others may spark some Congressional opposition.

Reports that the Saudis may be considering cutting back their arms buying follow similar indications that Iran—the Pentagon's largest foreign arms customer—may also be having second thoughts about a number of U.S. weapon systems, including the six Spruance destroyers that it was about to order. The Iranians have apparently reacted with some irritation to the news that the price of these has gone up 50 per cent. so that they would now cost $2bn.

Meanwhile, the Administration [is] selling arms to Egypt, but such sales, while important in building contacts between the U.S. and Egypt, are never likely to be worth the huge sums that, until recently, it was expected that Iran and Saudia Arabia would be spending in the United States.

Opponent[s of] Concorde [step] up efforts

By Jurek Martin, U.[S. Editor]

WASHINGTON,

THE ANTI-Concord[e ...] the U.S. Congress [...] its efforts to-day to [...] aircraft using New [York and] Washington airport[s].

About 30 Congre[ssmen and] women announced [that they] were joining in the [suit] brought in the Dis[trict Court] of Appeal in Was[hington by] the Environmenta[l Defense] Fund which seeks [to overturn] the ruling handed [down last] week by Transporta[tion Secre]tary William Colem[an].

Mr. Lester Wolff [, New] York Democrat, [an]nounced that Mr. C[...] agreed to testify [before] a House Sub-com[mittee he] chairs on the fore[ign policy] implications of the decision.

Mr. Wolff also [...] near blitzkrieg [...]sional moves desig[ned ...] Concorde. Howeve[r ...] Congressmen oppo[sed to Con]corde privately ad[mitted this] morning that the c[hances of a] legislative ban on [...] were slim.

U.S. LABOUR

The wage battles to come

BY GUY DE JONQUIERES, NEW YORK CORRESPONDENT

TO EUROPEAN — and especially British—eyes one of the more remarkable features of the U.S. economic scene during the past few years has been the willingness of the vast majority of American workers to accept the considerable hardships inflicted by high rates of inflation and unemployment with a minimum of industrial unrest. This compliance is likely to be tested this year.

During the next 11 months wage contracts covering some 4.5m. workers are up for renewal, twice the number involved in collective bargaining during 1975. Among the more important sectors covered by the forthcoming negotiations are the motor, rubber, construction, and electrical manufacturing industries. Most of the expiring contracts follow the three-year pattern usual in the U.S. and were negotiated when wage increases were restrained under Phase Three of President Nixon's controls programme. Pressure for increases to compensate for recent inflation are likely to be quite strong, especially from those unions which have not won the right to automatic cost-of-living adjustments.

The unions certainly have plenty of statistical ammunition at their disposal. Since 1973 the weekly gross pay of the average industrial worker has risen by 17 per cent. to almost $170, but in real terms his purchasing power has fallen by about 6 per cent. Spendable real earnings have fallen by slightly less, just under 4 per cent., because of temporary tax cuts enacted by Congress last year.

It will be difficult for most employers to argue convincingly that they cannot afford large wage awards. Forecasts generally point to an increase by around 25 per cent. of corporate profits this year, and the rise of materials costs has slowed quite significantly over the past six months.

The Ford Administration is taking a rather relaxed attitude, outwardly at least. The President's Council of Economic Advisers predicts that first-year wage increases (which are invariably the biggest in multi-annual contracts) will average about 9 per cent., slightly less than last year. That, it is thought, would not give rise to a major round of cost inflation. The Administration also appears to believe that major disruptions by strikes will be avoided.

There may be an element of wishful thinking in these bland assessments, because Administration powers to influence the course of collective bargaining are severely limited. Unlike President Nixon—who cultivated men like Mr. Frank Fitzsimmons of the Teamsters and Mr. George Meany of the AFL-CIO—Mr. Ford has earned himself the dislike and mistrust of the union movement.

If there were any doubts about that, they were nailed for good last month when Mr. John Dunlop resigned as Labour Secretary after the President had vetoed proposals to expand picketing rights in the construction industry. Mr. Dunlop's fairness and ability had won him a high reputation with both employers and labour leaders. His departure severed a crucial last link between the White House and the unions. Mr. Dunlop's successor, Mr. William Usery, is also very competent and experienced in labour affairs. But though he is personally liked by many union officials, it is doubtful whether he will have the political weight needed to effect a reconciliation in an election year when organised labour is committed to bringing about Mr. Ford's defeat at the polls.

Few Government experts seriously believe that the current high level of unemployment will cause unions to moderate their wage demands this year. Indeed, in an ironic reversal of classic economic theory, it could result in more costly settlements because many more unions are now pressing for contractual guarantees of job security and special unemployment benefits. The Teamsters, the first big union to go into negotiations this year, have weighed in with substantial demands for wage and fringe benefit improvements which, the road haulage industry calculates, could raise labour costs by at least 50 per cent. over the next three years. As well as seeking wage rises of 14 per cent. in the first year and 35 per cent. over the life of the contract, they are also demanding a more generous cost-of-living escalator, improved pension rights, the establishment of a safety fund, and paid sick leave.

The Teamsters are probably the most militant of the big American unions and have never flinched from strike action. But they may be more disposed to a quick settlement this year, if only because the leadership's bargaining power has been called into question by a series of Government investigations into alleged corruption and links with organised crime.

The bargaining outlook in the rubber industry is much the worst of any major sector of the economy this year and could well result in a strike. Rubber-workers have for years enjoyed wage parity with automotive workers. But because their union failed to obtain a cost of living escalator clause, its members are now earning about a dollar an hour less than their counterparts in Detroit. The Rubberworkers' President, Mr. Peter Bommarito, is under attack for other reasons as well and needs to win a generous new contract to re-establish his popularity. He lost face recently when his plan fell through to merge with another union, and when he was challenged for the presidency at the union convention last year.

Labour relations in the construction industry have always been difficult, largely because it is divided between many small unions and is particularly susceptible to work stoppages. This year, the attitude of the unions' leadership in negotiations is almost certain to be coloured by resentment against the Ford veto of the picketing Bill, which will not make it any easier to achieve settlements.

The United Auto Workers have not only been among the most sophisticated American unions, but have also suffered very directly from the recession. Even now, some 10 per cent. of the UAW's members are laid off. Because the earnings of employed members have been largely protected b[y ...] living escalator, th[e union is] putting much of its effort this year behi[nd demands] for job security [and] substantial pay incr[eases ...] represents an abou[t ...] its position in 1973 [...] right of workers [to choose] whether to work [overtime] headed the list of de[mands] in the face of stron[g resistance] from the motor com[panies. The] union is pressing for [...]bution of such work [...]able among as many [workers] as possible, even if [...] reduced working hou[rs for indi]vidual workers. Th[e union is] also seeking bigger contributions to t[he] exhausted Special [Unemploy]ment Benefit fun[d, which] supplement federal p[ayments to] laid-off workers.

If the UAW decide[s on a] confrontation, its m[ost likely] target for a strike wi[ll be Ford] because General M[otors was] chosen in 1970 and [Chrysler in] 1973. The strike fun[d of] $150m. is bigger than [in either] of those years, but its [...] does not appear to wa[nt a strike] at present. But this [could] change, and pure wag[e issues] could assume greater [...] if other unions espe[cially the] rubberworkers, win la[rge settle]ments early this yea[r].

Clearly, the rate o[f inflation] this year will play an [important] role in determining th[e bargain]ing goals of organise[d labour.] But even if wage settle[ments are] kept close to the levels [hoped for] by the administration, [the over]all cost to employers [is likely to] be inflated by improv[ed] pensions, job secur[ity and] other indirect benefits. [Further]more, the climate for [collective] bargaining will be u[nlikely to] benefit from the maj[or unions'] vehement hostility [towards] President Ford.

MAJOR U.S. LABOUR CONTRACTS EXPIRING I[N 1976]

Expiry Date	Employer	Union	Workers Covered	Expiry Date	Employer	Union
March 31	Road Haulage Industry	Teamsters Chicago Truck Drivers' Union	436,000	June 27	General Electric	Electrica[l] Workers
				July 12	Westinghouse	Electrica[l] Workers
April 20	Goodyear Firestone Uniroyal Goodrich	Rubber Workers	67,700	Sept. 14	General Motors Ford, Chrysler, American Motors	Auto Workers
May 31	General Construction Contractors	Building Trade	117,350	Sept. 30	International Harvester, Deere, Caterpillar	Auto Workers

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OVERSEAS NEWS

AU gives recognition nd membership to MPLA

R OWN CORRESPONDENT ADDIS ABABA, Feb. 11.

TINHO NETO'S MPLA it of Angola has been recognised by the on of African Unity been admitted to full ip of the OAU.

is announced at the dquarters here in the a telegram from the n's secretary-general, n Eteki Mboumoua, to The telegram said that le majority of OAU tates had recognised 's Republic of Angola, uld now be admitted J membership. even OAU member e so far announced gnition of the MPLA, 's admission brings to al membership of the

han writes: Mr. Eteki's that "in accordance charter a simple f votes of approval has been received. Therefore Angola, represented by your government, is now a full member of the OAU." In fact, a simple majority for the MPLA among the 46 existing members was reached some days ago when Sierra Leone became the 24th OAU member to recognise the Luanda regime.

Two interrelated events seem to have determined the exact timing of to-day's OAU recognition. First, the fact that President Idi Amin of Uganda, who as the current OAU chairman had so far sat statesmanlike on the fence, yesterday recognised the MPLA. Uganda was the 26th OAU member to do so, and a few hours later the Togolese Republic became the 27th.

Secondly, President Amin must himself have been influenced by the big military gains on the ground by MPLA forces, helped by their Cuban allies and Russian aid, in the last four days.

Not every OAU member, particularly states most bitterly opposed to the MPLA like Zaire, may accept the decision emanating out of Addis Ababa. At last month's special summit there the MPLA was only two short of a simple majority, and had not the meeting ended in deadlock, those countries opposed to the MPLA might have walked out of the summit depriving it of a quorum.

Several countries supporting the FNLA-Unita forces argued that a two-thirds majority was needed for any recognition move. Any test of to-day's decision may come at the next OAU Council of Ministers meeting in Addis on February 23.

Meanwhile the British Government is hanging fire on the question of MPLA recognition. Despite the dramatic MPLA gains, it is argued that while Luanda may hold 60 to 65 per cent. of Angolan territory, it still controls a smaller proportion of the population, and that MPLA gains may not be permanent.

But Whitehall is no longer talking about the need for a coalition three-party government of reconciliation. With the shattered remnants of the FNLA being pushed towards Zaire, British sources are now only expressing the hope that the retreating Unita movement might be taken in a MPLA Government as "a junior partner."

Kremlin in new attack on Kissinger

By Our Own Correspondent

MOSCOW, Feb. 11.

THE Kremlin made another *sharp attack on Dr. Kissinger* to-day, accusing him of being "out of tune with facts and logic" when it came to Angola.

The occasion was an extensive article on Angola published by the party daily Pravda and bearing the signature "Observer," which usually indicates the views expressing the policy of Moscow's top leadership circles.

Soviet officials obviously felt obliged to reply to another of Dr. Kissinger's stinging attacks on the Soviet Union for its involvement in Angola, this time in a speech he gave last week in San Francisco.

Pravda said the Secretary had tried to "prove the unprovable" about Soviet policy and at the same time cover up secret American intervention in the affairs of the former Portuguese colony.

The article went on to say that Dr. Kissinger was still trying to ignore what Pravda maintained was the obvious difference between Soviet aid to the MPLA —it said this was to prevent foreign aggression—and western assistance to the FNLA and Unita, which was in fact "interference."

Generally the lengthy Pravda account produced only repetitions of already-stated Soviet policies, but it did mark the first time that the Soviet Press had stated flatly that Moscow was supplying arms to the MPLA.

Heading towards the thin White line

BY JANE BERGEROL LUANDA, Feb. 11.

IF STILL unconfirmed reports to-night are proved true, the army of the MPLA is within striking distance of the southern Angola town of Sa da Bandeira, barely 200 miles north of the front line established by South African troops some 50 miles inside Angolan territory.

The Pretoria Defence Minister, Dr. Piet Botha, must therefore be considering whether to keep what is said to be 4,000-5,000 South African troops where they are, or withdraw them to the Namibia side of the 1,000-mile frontier.

Similarly, South African political leaders must decide if it is worth pursuing the idea of "Grootovambo," a "Greater Ovambo" Bantustan buffer state with Angola, that would in theory annexe a strip of southern Angola inhabited by broadly the same Ovambo peoples as live across hte frontier in Namibia.

"Grootovambo" is a plan evolved to respond to the April 25, 1974, Portuguese coup and its pledge of decolonisation. On paper, it would run from the Atlantic coast through to the Caprivi strip, forming a buffer state with an independent Angola likely to aid the Namibia liberation movement Swapo in infiltrating its guerillas to fight the South African presence there.

In practice, South Africa apparently began infiltration of Namibian Ovambos into southern Angola to stir up separatist feeling for joining such a Grootovambo about a year ago. A variety of sources, from MPLA and Swapo to Unita, and the former Portuguese colonial administration, have at one time or another reported such infiltration, and have also spoken of the potentially fertile ground upon which such separatist feelings might be made to grow.

Southern Angola is peopled by broadly nomadic Hereroand Ovambo tribes, never truly colonised, and whose resistance to the Portuguese colonial government grew in the Sixties and Seventies as a new wave of settlers peopled the south, enclosing large areas of land for cattle rearing—a direct threat to the nomads' own herds and livelihood.

Some of these peoples subsequently joined in MPLA guerilla warfare against the Portuguese in the area. Recently, over the past month or so, there have been increasing reports of substantial pro-MPLA guerilla activity around Mocamedes and further east around N'Giva (formerly Pereira d'Eca), while Luanda national radio to-day broadcast a call for guerillas from the area to make contact with MPLA party officials.

Until about a year ago, the border was poorly policed. Now it has been heavily militarised by South Africa with an estimated 20,000 troops near the border inside Namibia, according to Swapo sources.

South Africa's anxiety, after the Portuguese coup, over its future security in Namibia was reflected in a series of meetings on its side of the border throughout the early part of 1975 with representatives of all three of Angola's then liberation movements, often but not always accompanied by a Portuguese official. John Hailonda, the Cunene MPLA delegate, met several times with South Africa's security chief in Namibia, Mr. Piet Ferreira, and he says, with other white South Africans responsible for Ovamboland. The MPLA official told me South Africa was at one time seeking assurances—which MPLA reportedly gave—that the forthcoming independence in Angola would not mean Angolan direct interference inside Namibia. The talks were interrupted on August 27 last year when South African forces apparently marched into the Angolan town of N'giva, inside the frontier.

Before they withdrew, the troops allegedly brought Pastor Kornelius Ndjomba, an Ovamboland leader, to the town, who is alleged to have spoken in favour of a greater Ovamboland.

Recently, South African sources announced more training programmes to increase Ovamboland's only armed force, of blacks: the Ovambo police. The force is reported to be small (perhaps numbering several hundred) and armed only with automatic weapons.

Whether the South African army is capable of withstanding a determined Angolan army attack on its positions inside Angola will probably be demonstrated within a very few days, if the MPLA advance continues at its current rate.

Smith and Nkomo meet for private discussions

SALISBURY, Feb. 11.

PRIME Minister Ian Smith and Black nationalist leader Joshua Nkomo met privately to-day for in-depth talks on what Mr. Nkomo called the very grave problems facing Rhodesia. The 75-minute meeting was the first private discussion between the two since the current constitutional negotiations began on December 16.

They have previously always been accompanied by advisers, but Mr. Nkomo explained to reporters to-day why the "man-to-man" talks were held. "It was necessary that the leaders of the delegations meet to discuss in-depth the problems facing this country, very grave problems indeed," Mr. Nkomo said.

The problems discussed are believed to have included the stepped-up nationalist guerilla incursions across Rhodesia's borders—a move taken in apparent frustration at failure to produce a quick constitutional settlement which would give immediate power to the black majority.

Although the negotiators have agreed to keep the constitutional talks secret, observers believe that they are bogged down on key issues.

Reuter

'LA hint on U.S. ties

ROME, Feb. 11.

LA government in nterested in normalis-ns with the U.S., pro-are based on the f non-interference, a 'LA official said here

Ambroise Lukoki, mittee member of the ed MPLA—told a rence that the Luanda t wanted good rela-all countries.

Senhor Lukoki flew here from Lusaka on what he called a goodwill visit to the Italian people and to take part in several pro-MPLA demonstrations organised by Italian leftist movements. He said he saw no reason why the People's Republic of Angola should not normalise relations with the U.S. which he accused of having justified "a war of aggression" in Angola.

Reuter

banese top jobs lance to stay

N HIJAZI BEIRUT, Feb. 11.

RASHID KARAMI to-day that under the tiated agreement to Lebanese crisis, the State posts here will to be distributed oslems and Christians tradition which has ect since independence o.

ns that the President ublic will still be a Catholic, the Premier oslem, and the Parlia-ker a Shia Moslem.

mi said the provisions reement will be pro-lext Saturday. The the agreement had nered out by a Syrian team led by Foreign bdel Halim Khaddam. nl accompanied Mr. n his one-day trip to capital.

arami's reassurance distribution of the osts is connected with l argument which cern about the appli-ie accord.

leaders have emphasised that they will not agree that the assignment of the presidency to the Maronites should be consecrated in a written text, and insisted that the unwritten tradition should be upheld. Christian leaders, on the other hand, wanted the written commitment so, they pointed out, the other side may not change its mind later on.

The Premier in his statement to-day was not clear on whether the 33-year-old tradition will be kept merely as an unwritten understanding or will be put in writing. "He whose word does not bind him his signature will not either," he said.

Speculations in the Press here expect Syrian Foreign Minister Mr. Khaddam to come back here later this week to ensure a smooth application of the agreement and to help in the fulfilment of national reconciliation. Under the accord, Syria has undertaken to guarantee that Palestinian guerillas here will strictly abide by provisions of agreements already concluded with the Lebanese Government.

nquet in Peking for stralian Communist

INA McDOUGALL

STER Chang Chun-Chi Teng-kuei have nquet in Peking in he visiting chairman stralian Communist hile normally this excite comment since been concerned with with foreign Com-ies, they are the first ppear in public since appointment of the Premier Hua Kuo-have also appeared ously in the four the funeral of the r Chou En-lai, unlike unofficially acting Hsiao-ping who has eported at all since n.

ng and Chi owe their osition to events cultural revolution. w vice-premiers and standing committee hile Chang as direc-e Army's Political holds an influential ost. Chi came to Honan, while Chang rose swiftly during the late 1960s to take control of Shanghai before being promoted to the centre.

Shanghai Radio has reported that the February 6 People's Daily article, which attacked unrepentant "capitalist roaders" who had attempted to "reverse the verdicts" of the cultural revolution, has aroused a strong response. Shanghai students, it said, were determined to smash the conspiracy of the "capitalist roaders" to restore capitalism.

Shanghai's emphatic support for Peking's attack on "capitalist roaders"—the cultural revolution label for Teng Hsiao-ping—is interesting at a time when Chang Chun-Chiao appears to be in good standing and Teng under rather a cloud. It is usually supposed that the Shanghai group in the central leadership, of which Chang is the most senior member, retains its links with the city. Chang, however, has not been as vociferously radical as in the past as the Shanghai Press.

herner gets key Sudan post

Jafaar Mohammed reshuffle of the Cabinet — announced veek—brings only the uthemer into his nearly seven years of . Bona Malwal Madut s the important Minister of Informa-s our Khartoum it.

carries a step further imairi's efforts to Arab north and the uth following the e 13-year civil war in 72. The south has its l government, whose r. Abel Alier, is the rn Cabinet member.

Heights

nce Minister Shimon suggested that Syria the UN peacekeeping the Golan Heights Israeli army was fully a military confron-er reports.

a convention of onists in Jerusalem: enough good reasons e mandate then she of her own accord. does not want to do so and chooses a military confrontation she will find a well-trained and equipped Israeli army.

Israeli pullback

The Israeli Army has already completed the evacuation of its equipment from the military camps and installations in that area of Sinai, which will form the new UN-controlled buffer zone from February 22, as well as its deployment in the camps established east of the new buffer zone, L. Daniel reports from Tel Aviv. Work is also going ahead on the construction of the camp for the U.S. technicians who will be manning the forward listening stations on both sides of the vital passes.

Black cyclist held

South Africa's top black cyclist Lungiso Mkbize was jailed during a training run because he could not produce his pass book—the permit Africans must carry to move from one area to another, Reuter reports from Johannesburg. Mkhize, 22, clad in cycling shorts and vest, was put into police cells for a night last weekend, he told reporters yesterday.

$1bn. loan for Italy under EEC study

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

A PROPOSAL to raise up to $1bn. to help hard-pressed Italy is expected to be considered at next Monday's meeting of EEC Finance Ministers in Brussels.

The money would be raised partly in the form of direct loans to the Community from OPEC countries and partly by the EEC itself in the Eurodollar market.

A key element in the scheme would be Community backing for the loan, and in this the attitude of the German Government is of crucial importance. Germany, in effect, would be the major guarantor.

The proposal is seen as an important contribution to alleviating Italy's reserves position at a time when she has failed to raise funds from the International Monetary Fund, and for obvious reasons the country's credit rating in international markets is far from ideal.

The loan to Italy would come out of the EEC Community Loans Fund. Once an ambitious scheme for re-cycling up to $3bn. of surplus OPEC funds, the EEC Fund has turned out to be a much smaller animal than originally conceived.

The Community has had a tough time in arranging bilateral loans from oil producing countries, largely because of the speed with which the petro-dollar surplus has been eroded by escalating expenditure plans.

A recent Community attempt to raise money from Venezuela fell through, and it is thought that in total the funds available on a bilateral basis under the Joint Community Borrowing scheme may total $500m.

Some $200m. is already believed to be earmarked to meet the application from Ireland, so that the Community would have to raise a large loan on the Eurodollar market in order to provide worthwhile assistance to Italy.

A number of highly placed officials believe conditions are now favourable for such an operation, and it is thought that the U.K., for one, is likely to throw its weight behind the proposals to help Italy.

Moro selects Ministers

BY ANTHONY ROBINSON ROME, Feb. 11.

HAVING formally accepted the task of forming a new Government Prime Minister Aldo Moro to-day tackled the difficult task of choosing ministers and under secretaries.

But the slow motion nature of the crisis, the intrinsic weakness and clearly interim nature of the minority government now being formed has clearly not inspired much confidence in foreign exchange markets where the lira weakened again to-day, not only against the dollar and other hard currencies but also against currencies more exposed to the overall nervousness.

The task is difficult because in practice the freedom of a Prime Minister to choose his ministers is limited by the pressure from the various factions within the party, each demanding their share of ministerial posts. But it is a task made more difficult at this time by the fact that the decision to form a government was made against the wishes of several important party leaders such as Sig Amintore Fanfani and Giulio Andreotti.

Sig Fanfani did not take part in the last government and is considered unlikely to accept a post in this one either, though there has been some speculation that he is a candidate for the foreign ministry. Sig Andreotti who has held ministerial posts uninterruptedly for decades, is however expected to keep his former ministerial position.

Sig Mario Ferrari Aggradi, a veteran of many governments, has announced his intention to leave parliament, ostensibly to leave space for younger politicians who are clamouring for jobs in the new government. He is however rumoured to be candidate for the chairmanship of an important public body.

Giscard, Schmidt in 'snake' talks

BY ROBERT MAUTHNER NICE, Feb. 11.

PRESIDENT Giscard d'Estaing of France and West German Chancellor Helmut Schmidt, who meet here to-morrow for their regular six-monthly bilateral summit, will be faced with the immediate problem of how to defuse the latest crisis which has overtaken the European currency "snake."

Although monetary questions are not on the official agenda, it is taken for granted here that the two statesmen, both of them former Finance Ministers, will not fail to give their urgent attention to the pressure which has built up on the franc over the past three weeks.

The other major subject due to be discussed by the two leaders is the future development of the European Community, with particular reference to the proposals made in the Tindemans' Report.

Paris is known to be much more reserved than Bonn about the Belgian Prime Minister's report which the French feel has erred too much on the side of compromise between the various member Governments' policies.

In particular, President Giscard considers that any improvement in the decision-making procedures of the Community's institutions must involve a strengthening of the European Council, which meets at Heads of Government level three times a year, instead of boosting the powers of the European Commission, as Mr. Tindemans has suggested.

The French President is expected to sound out Mr. Schmidt on his latest idea for a streamlined three nation "Directorate" which would act as a counterweight to a directly-elected European Parliament. The Directorate, according to the French, could be made up of two of the Common Market's "major" members and one of the smaller countries on a rotation basis.

Among the other subjects due to be discussed at the Summit will be future Franco-German co-operation in the field of rapid nuclear breeders, and it is not excluded here that an agreement on a joint project will be concluded during the meeting.

President Giscard and Chancellor Schmidt will be accompanied by a large retinue of Government members, including notably their Foreign, Finance, Economics and Industry Ministers. Jacques Chirac, the French Prime Minister, is also due to join the talks.

Oslo introduces permits

BY FAY GJESTER OSLO, Feb. 11.

NORWAY'S businessmen and industrialists will need planning permission from 1977 to set up a new enterprise or expand an existing one. This is the effect of a law on establishment passed recently by the Norwegian Storting (Parliament).

Designed primarily as a regional policy tool, the new Act will make it possible to refuse planning permission in areas of high activity, in order to encourage a move out to less developed parts of the country. Until now, only financial inducements, such as cheap State loans, were available to attract new industry to these districts.

More restrictive rules, bringing smaller enterprises under the law's umbrella, are proposed for areas found to be suffering from gross pressure. Certain activities are, however, excluded, among them fishing, hunting, agriculture, mining, power and water supply.

● Norway faces a possible upsurge in price and wage inflation in a few years' time as a result of its oil boom and resulting large trade surplus, a report by the OECD in Paris says, Reuter reports. The country will only be able to hold inflation down to an acceptable level through the imposition of an efficient incomes policy, it says.

Ireland equal pay exemption unlikely

BY REGINALD DALE BRUSSELS, Feb. 11.

THE EEC COMMISSION seems unlikely to grant Ireland a waiver from EEC rules on equal pay for men and women, although it has not yet taken a final decision. After an initial Commission discussion on the Irish request, officials to-day said it would be "inappropriate" to penalise Irish women for their country's economic problems.

The Commission said it fully sympathised with Ireland's difficulties but suggested that other means should be used to overcome them. Additional help could be provided from the Community's regional and social funds, and it might also be possible to delay Irish tariff reductions on imports from other EEC countries. The tariff cut on shoe imports due on January 1 has already been postponed because of difficulties in the Irish industry.

The Irish Government last week asked for a temporary derogation from the EEC directive establishing equal pay for men and women which comes into force to-morrow, pleading serious economic difficulties. The Commission will give its final ruling after a task force of Commissioners has investigated the situation with the Irish authorities.

Meanwhile, Dr. Patrick Hillery, Ireland's EEC Commissioner for Social Affairs, has floated the idea of direct subsidies to employment on a Community-wide basis. Officials stress, however, that it would be up to each Government to pay for the subsidies, and that Community funds would not be involved.

In a speech in Nice, Dr. Hillery said such subsidies would "supplement" investment subsidies. The idea is apparently that the Commission would suggest overall guidelines for the subsidies, which might be similar to the existing French system of job creation premiums.

Bonn hopes for reactor cooperation with France

By Nicholas Colchester

BONN, Feb. 11

THE WEST GERMAN Minister for Research and Technology, Hans Matthoefer, hopes to end talks in Nice over the next two days with his French counterpart, Michel O'Ornano, with a joint declaration about Franco-German co-operation in the development of both fast breeder and high-temperature reactors. Any agreement between the two countries in fast breeder development would follow a failure of British-German talks

Mr. Matthoefer stated to-day that co-operation in the one area between Germany and France would be conditional on co-operation in the other. But observers in the West German nuclear industry suggested that it would be easier to reach agreement in the fast breeder area, where the French have a lead over Germany, than in the high temperature field where the French are more sceptical and where recent developments in the U.S. have left the Germans out on an expensive limb.

A recent report on the development of advanced reactors prepared by the German Research Ministry provided some background to the discussions in Nice. It states that "while attempts to achieve co-operation in the fast breeder field with Great Britain must now be said to have failed for the moment, it is intended to conclude co-operation agreements with France."

The report suggests that co-operation in the fast breeder field between European utilities will now be supplemented by German and French Government willingness to bear part of the rising costs. Given that Germany, Belgium, the Netherlands and Luxembourg are already co-operating over fast breeders, the British appear to be conspicuous absentees.

The picture in high temperature reacters remains hazier. The report makes it clear that the troubles of General Atomic of the U.S. in the high temperature area have thrown a shadow over the German programme at a time when it is running into delays and worrying cost increases. The cancellation of the U.S. company's contracts appears to brought talks between VEW (Germany) the CEGB (Great Britain) and EDF (France)—all electrical utilities — over a joint project to build a large high temperature reactor to a standstill. The German report talks hopefully of "close co-operation" between Germany, France and the U.S.

THE EEC AND GREECE

Towards a new identity

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

IN GIVING the green light to Greece's bid for EEC membership earlier this week, the Nine have set out on a path that will almost certainly lead to far-reaching changes in the whole nature of the Community. It is not just a question of Greek entry. Hard on the heels of Athens, post-Franco Madrid is already making clear that Spain now sees itself as a future full member. Further into the future, Turkey, Cyprus, Portugal and Malta must all be considered at least potential candidates. It is quite obvious that with a "yes" to Greece it becomes much harder to say "no" to the other South European countries, provided they can produce reasonably credible democratic regimes.

The expansion of the Community to anything between 11 and 14 states cannot fail to have important consequences for the way it is run. The nine-member Community is already often unwieldly, and is likely to remain so until a serious effort has been made to streamline its decision-making processes, particularly through majority voting. Unless big institutional changes are made, each new country that enters can only strengthen the case for some kind of central "directorate," composed of a limited number of countries, as the French are once again advocating—apparently with considerable German support. It is noteworthy that General de Gaulle's original proposal for a "directorate" in 1969 was made in the context of the Community's enlargement.

Politically and culturally, the next wave of enlargement would shift the balance in the Community heavily back in favour of the Latin and Mediterranean nations, after a tilt towards northern Europe with the entry of Britain, Ireland and Denmark. Just one consequence could be an increase in the number of official languages from the present six (English, French, German, Italian, Dutch and Danish) to ten, including Greek, Spanish, Turkish and Portuguese, if past practice is followed. At the same time, the prospects for Community-wide economic and monetary integration can only weaken with the incorporation of a string of relatively undeveloped Mediterranean economies, giving further weight to the notion of a "two-tier" Community.

All this clearly has major implications, not only for the entire course of European integration but also for each of the present Nine, and not least for Britain. And yet the astonishing thing is that the Nine governments have given the go-ahead to Greece without one single word of discussion of what it means for the Community's future, and despite the Commission's recommendation that Greek membership be put off until the country's economy had been brought more closely into line with those of the existing members. Not one government has so much as suggested that the Community may not be ready to absorb another new member, although this is clearly the Commission's view.

In discussing the Greek case in Brussels this week, the nine Foreign Ministers seemed to be exclusively concerned with the reaction in Athens. Their main aim was clearly to dissociate themselves from the Commission's report, which had hurt Greek pride and provoked a political storm in Athens. Apart from causing offence by alluding to the disputes with Turkey, the Commission underlined the weak point of the Greek economy and concluded it would actually be in Greece's own interest not to submit herself to EEC disciplines too soon. The Commission recommended an unspecified intermediate period in which Greece would have some of the privileges of membership, notably access to EEC funds, without any of the obligations.

Mr. Constantine Karamanlis, the Greek Prime Minister, felt personally betrayed in view of the fulsome promises of support for immediate entry he had received from most of the nine Governments. But the Greeks also took exception to the Commission's economic conclusions. In Brussels last week, Mr. John Pesmazoglou, the highly respected president of the EEC-Greece parliamentary committee, pointed out that Greek GNP per head is not much lower than some of the EEC countries (particularly, though he did not say so, Ireland).

The Greek figure, he said, was now half the Community average, compared with 35 per cent. only 12 years ago. Greece now sent 40 per cent. of its exports to the Nine, against one third in 1960, and the share of industrial exports had risen from 5 per cent. of the total to 45 per cent. Productivity in Greek industry was rising much faster than in the Community. Other Greeks have made the point that they should not be penalised for the seven years of military rule from 1967 to 1974, during which the country's association agreement with the Community was "frozen" and the harmonisation of farm policies fell way behind schedule.

Against this, the Commission would point to the country's serious agricultural and regional problems, with industrial growth concentrating in the Athens-Piraeus area, and the very wide disparities between different industrial sectors. It is also worried by inflation and balance of payments prospects. Even full implementation of the 1962 association agreement, full membership, "wou[ld] ... substantial difficulties," ... mission says.

It may be, of cours[e] ... Nine have fully re[alised the] economic and political [implica]tions of Greek entry, ... want to say so public[ly] ... of further annoyin[g] ... There are certainly ... in Brussels that Minis[ters find] it easy to agree to ... negotiations only bo[cause they] are fully aware that ... will be long and ... Certainly, no Ministe[r is pre]pared to predict a dat[e for] entry in Brussels ... although M. Gaston ... Council President, a[ppeared to] imply that it would ... the end of the decade.

It is equally hard ... Minister prepared t[o make a] clear statement of w[hy he ac]tively wants Greece i[n. The] usual response is sim[ply that the] Treaty of Rome provi[des for the] entry of democratic countries and Greece ... democracy. Beyond ... are vague referenc[es to the] "strategic importanc[e" of the] eastern Mediterran[ean ... The] implication appears t[o be that it] will be easier to s[top Greece] going Communist if i[t is a] member. That could ... nobody has attempted ... any proof of the pro[position].

The main reason f[or the Coun]cil's approval of ... request is almost en[tirely nega]tive. No governmen[t wanted to] jeopardise its com[mercial and] political interests in ... being the first to say ... even the smaller co[untries, like] Benelux and Ireland ... serious private reser[vations about] the admission of ne[w members ...] has to be approved b[y ...] any one country c[ould block the] Greek application, ... looking less and les[s ...] Greece becomes a ... could be largely by d[efault].

As so often wit[h the Com]munity, what is l[acking is a] coherent long-term ... looks beyond the en[d of the next] Council meeting. W[ith the pub]lication of the Tinde[mans report] on European union, ... has been prepared ... reassessment of the ... fundamental objectiv[es ... Many] of the questions ra[ised by Mr.] Tindemans, particu[larly with] regard to the "two-s[peed" Com]munity, are clearly ... relevance to the Gr[eek applica]tion. It augurs ... debate on the Tinde[mans report] that these questions ... been examined. On[e ...] the sneaking suspi[cion ...] might in fact suit ... ments very well to ... a much larger, ... Community, with a ... directorate at the ce[ntre].

'Two stages for Spain'—Soames

BY ROBIN REEVES STRASBOURG, Feb. 11.

A CLEAR distinction has to be made between the resumption of negotiations on a new EEC preferential trade agreement with Spain and eventual Spanish membership of the Community, Sir Christopher Soames told the European Parliament here to-day.

The Brussels Commissioner responsible for external relations pointed out that both the Commission and the Council of Ministers have agreed that they are ready to take up contacts with the Spanish Government with a view to resuming trade negotiations broken off in the wake of last autumn's summary executions in Spain.

On the question of membership, the Community should simply let the Spaniards know its hopes and see how things develop. In the next few weeks, there would be talks with the Spanish Foreign Minister on the basis of which the Commission would decide its approach to the resumption of negotiations.

Comecon hoping to start talks

BY HILARY BARNES COPENHAGEN, Feb. 11

THE COMECON countries are hoping for negotiations in Brussels shortly on an economic co-operation agreement with the EEC, Polish Foreign Minister Stefan Olszowski said here at a Press conference at the end of a four-day visit.

He said Poland would like to see an umbrella agreement between the two groups which would enable member countries to make bilateral agreements and agreements with the treaty organisations as such, so that Poland, for example, could conclude agreements both with the EEC and bilaterally with individual members.

Polish Parliament approves constitution

BY PAUL LENDVAI VIENNA, Feb. 14.

THE POLISH Sejm (Parliament) last night approved a new constitution despite strong opposition by the Roman Catholic church and many prominent intellectuals, proclaiming Poland a socialist State. Nevertheless, probably as a concession to public pressures, the original plan of renaming the Polish People's Republic into a "socialist republic" was quietly shelved. Only the well-known Catholic MP, Professor Stanislaw Stoma, belonging to the five-member "Znak" group, abstained from voting for the new amendments.

Following two protest petitions addressed to Parliament by 59 and 100 well-known intellectuals respectively the Communist leadership toned down somewhat the controversial paragraphs seen as attacks on citizens' rights and Poland's sovereignty. Thus the Communist Party is no longer described as a leading force of the socialist State but "as the leading political force in the building of socialism." Co-operation with two nominally independent satellite parties (the United Peasants Party and the Democratic Party) is proclaimed to be the foundation of the national unity front. Similarly friendship and co-operation with the Soviet Union is listed merely as one of the factors guilding foreign policy instead of the originally planned "basis of Polish foreign policy."

Elections will take place at the end of next month and it remains to be seen whether the widely respected Professor Stomma, the lone dissenter at yesterday's vote will retain his seat in the new Parliament.

Nato warns on MFR

By Paul Lendvai

VIENNA, Feb. 11.

A NATO spokesman to-day condemned the violation of the confidentiality of the Vienna based EastWest force reduction talks by the Hungarian party paper "Nepszabadsag" and warned that publication of further details concerning Nato's latest proposals would hamper the 19-nation talks.

In an editorial to-day the Hungarian communist daily, commenting on what is recognised as "certain new elements" in the unchanged basic concept of the Nato states, revealed for the first time that the West offered to withdraw 54 F-4 U.S. Carrier vehicles and 36 Pershing rockets with delivery systems for nuclear warheads as part of its latest plan submitted to the Warsaw Pact on December 16. Hitherto it was officially only known on the basis of western "leaks" that Nato proposed the withdrawal of 1,000 U.S tactical nuclear weapon in Europe along with 29,000 U.S. troops in exchange for the withdrawal of a Soviet tank army of 1,700 tanks and 68,000 men.

Referring to the confidential character of the talks, the Nato spokesman refused to confirm or deny the accuracy of the figures quoted in the Budapest paper. It is understood, however, that they are correct.

Meanwhile the Hungarian newspaper basically echoed the same line taken by the Eastern side at the resumption of the talks after the Christmas recess on January 30, that the latest Nato proposals were still insufficient but will be discussed in the current eighth round of the talks.

Fraga warns of reaction to violence

INTERIOR Minister Manuel Fraga warned Spaniards yesterday that guerrilla violence could wreck attempts to reform the authoritarian regime left by General Franco, Reuter reports.

He was speaking on the Spanish State radio shortly before the first session of a 13-man Commission set up by Prime Minister Carlos Arias Navarro to study constitutional reforms. Sr. Fraga, main engineer of the Government's reform programme, condemned the assassination of a town mayor and a mechanic in the last two days in the Northern Basque country.

In Lisbon, it was announced that the Foreign Ministers of Portugal and Spain would meet to-day "somewhere in Portugal."

Lisbon shops shut

Lisbon shopworkers began a 24-hour strike yesterday in support of wage claims, defying the Government which branded such action as unjustiable, Reuter reports.

Cyprus talks date

Cyprus peace talks, in limbo since they virtually collapsed at the fourth round held in New York last September, are to be resumed in Vienna on February 17, our UN correspondent writes. Dr. Kurt Waldheim will preside, and the parties will be represented by Mr. Glafkos Clerides, for the Greek Cypriots, and Mr. Rauf Denktash, for the Turkish side.

Pollution pact

Sixteen Mediterranean nations reached agreement in Barcelona last night on a draft-treaty committing their Governments to fight pollution, Reuter reports.

Irish tourism

A £50m. five-year plan to boost tourism in the Irish Republic was announced in Dublin yesterday. The Irish Tourism Authority hoped to increase the number of visitors from 4½m. to 6m. a year by 1980 and to hoist revenue from £186m. to £250m.

Paris reprieve

President Valéry Giscard de'Estaing reprieved a 17-year-old boy sentenced to death and commuted the penalty to life imprisonment, Reuter reports from Paris. The boy, who was named only as Bruno T., was sentenced to death on October 3, 1975, in Beauvais, near Paris, for murdering an old woman. He was found guilty of having tortured and finally stabbed to death the 69-year-old woman in order to rob her.

Adriatic shooting ro[w]

BY PAUL LENDVAI VIENN[A]

A SERIOUS incident in the Adriatic involving the shooting of the captain of an Albanian fishing boat in what the Yugoslavs claim to be Yugoslav territorial waters has subjected relations between the two neighbouring countries to renewed strains.

The incident took place on December 15, but was revealed only last week when the dead captain was ... awarded the title Hero by the Albani[an Govern]ment. The Albani[ans claim] that the incident ha[ppened] in Albanian territor[ial waters.] Yugoslavia claime[d] that the fishing bo[at had] covered about three [miles of] Yugoslav territori[al waters ...] the Albanian captai[n ...] following instructions ... slav patrol boat.

هكذا صدر الأصل

.K. may build il platforms ›r Brazilians

JGH O'SHAUGHNESSY

appears to be on the winning major orders zil for offshore oil ex- platforms.

zil it is claimed that Wimpey are to be d with a Brazilian ion Maquip, a member no Simonsen, in build- forms in Brazil. In esterday BP said it was camining various possi- of co-operation with but added that com- the Brazilian venture "premature."

onth it was confirmed Wimpey, and Brown were to be associated ract to sell offshore oil t and technology to the for use in the Caspian ›wn and Root is not › be associated with the operation.

ıit

atforms would most built near the explora- either in Rio or an- tion capable of taking ing dock.

shore Supplies Offices epartment of Energy said that it was "very ideed" of building a the country.

Earlier this month, Mr. Peter Gibson, head of the office, took a team to Brazil and had discussions with General Araken de Oliveira, chairman of Petrobrás, the State oil company.

In addition to the question of orders for platforms the possibility of greater co-operation between Petrobrás and the British National Oil Corporation wasdiscussed.

Prospecting for new sources of oil is one of the highest priorities of the Brazilian Government.

Brazil, which produces less than a quarter of its own oil needs, has been hard hit by the oil price rise and the cost of oil imports was a major factor in giving Brazil a deficit of $3.5bn. on its trade accounts last yqear.

The discovery of what was claimed to be a very big new oilfield at Garoupa off Rio de Janeiro was announced in 1974, but the Brazilians hope to develop new oil and gas fields in the mouth of the Amazon.

During his visit toBritain last October Sr. Francisco Azeredo da Silveira, the Brazilian Foreign Minister, expressed great interest in the acquisition of British technology, particularly North Sea technology, in the oil search in Brazil.

‹OC major share future fields

‹ DAFTER, ENERGY CORRESPONDENT

V round of offshore licences to be by the Government will give the British il Corporation title to of oil from future

same time, the terms made "commercially to oil companies. nts were emphasised by Mr. Harold Lever, of the Duchy of Lan- head of the Govern- n negotiating State in in offshore oil fields. guests at the Institute nn's annual dinner in hat future licences ure from the outset State, through BNOC, a 51 per cent. share mercial fields. BNOC able to dispose of this and would be fully with the development ds through its repre-

sentation on operating committees.

Of the negotiations on current licences, Mr. Lever commented: "We are not inviting the oil companies to renegotiate the existing arrangements so as to lose financially. Nor are we offering them a financial sweetener for such renegotiation.

"What we are offering them is a deal which will enable this Government, and I believe successor Governments, to convince the British people there is now a visible form of partnership with the oil companies which is fair to both parties and can be left to work until the licences are worked out."

Mr. Lever emphasised that the Government believed in voluntary agreements: "Our view has already been borne out by the eight important and experienced companies which have agreed to our particular proposals in principle."

ırysler inquiry ›ves to Coventry

R CARTWRIGHT, MIDLANDS CORRESPONDENT

STIGATING the cir- surrounding the t's disputed £162m. hrysler U.K. and who t Mr. John Riccardo, f the American-based p to appear before a two-day session at y plants to-day.

arty committee will dence from plant it the Ryton factory nger saloons, and the nt at Stoke, together middle management ves.

lly they will be far by staff and hourly- n representatives, m is Mr. Pat Burke, ciation of Scientific, nd Managerial Staffs. stated only on Tues- ing made redundant. ke Mr. Pat Fox, ior transport union d Mr. Duncan Simp- ring union convenor e known to a wide hief spokesmen for ing their fight to try 0 jobs, the price of ment's programme 17,000 out of the labour force in em- hey only reluctantly e rescue bid.

se sessions are ex- form the investigat- and industry sub- committee of the Commons expenditure committee about plant organisation and operations, the more informative session will probably be on Friday at Whitley.

This is the administrative headquarters in Coventry which also is the headquarters of Chrysler's European product design team recently responsible for the new Alpine, which has been voted "car of the year."

This is being produced at Chrysler's Simca plant near Paris. Part of the rescue programme is that Avenger production should be moved to the Linwood factory in Scotland in order to make way for assembly of the Alpine from French kits at Ryton.

The Stoke engine and transmission plant is also vital for Chrysler's lucrative contract with Iran, one of the chief reasons why the Government stepped in when Chrysler seemed willing to abandon its U.K. operations.

Giving evidence will be Mr. Roy Axe, European director of design, Mr. H. Sheron, European technical director, and Mr. M. P. Honore, European director of product planning. Their U.K. opposite numbers will also be appearing.

Altogether some 36 employees will be giving evidence.

alier success lifts xhall's market share

AL TIMES REPORTER

'S share of the U.K. xpanded last month it, compared with 6.2 January last year. new car registra- published to-day by of Motor Manufac- raders.

nsion in Vauxhall's was due mainly to success of its new ssembled Cavalier won 1.4 per cent. t in its first month is country.

expanding on pro- res published last new statistics on by source" of the rket. While British strations last month 2—almost the same —EEC car sales in ry in January 26,951 or 20.63 per 19.64 per cent. a

accounted for 1.58 the market, com- 2.39 per cent. in January last year, and Japanese sales, at 11,078 registrations, took 8.47 per cent. of the January market as against 12,004 sales, or 9.18 per cent. in January, 1975.

Although Ford's Cortina and Escort models were the two top selling cars for January, British Leyland regained its overall market leadership with 37,816 sales—28.9 per cent. This compared, however, with Leyland's 43,310 sales and 33.1 per cent. market share in January last year.

Chrysler sales of both British-made and imported models fell over the year from 11,684 (8.94 per cent.) to 10,370 cars (7.93 per cent.).

The top ten cars sold last month were: Ford Cortina—14,470; Ford Escort—13,986; Leyland Marina—8,770; Leyland Mini—8,638; Leyland Allegro—6,254; Vauxhall Viva-Magnum—4,415; Chrysler Avenger—4,068; Vauxhall Chevette—3,618; Leyland Maxi—3,564; and the Datsun Sunny—3,443.

SHELL STATEMENT ON RETAILING

'Petrol price control impossible'

BY RAY DAFTER, ENERGY CORRESPONDENT

RETAIL PRICE control in the petrol market is neither possible nor desirable, according to one of the market leaders, Shell U.K. Oil.

Although oil companies have agreed to limit wholesale price increases over the next few months as part of the Government's anti-inflation package, they have emphasised that they have little or no control over pump prices.

U.K. MARKET OF MAJOR OIL PRODUCTS (m. tons)

	1974	% decrease over 1973	1975	% decrease over 1974
Petrol	16.2	2.6	15.9	2.3
Gas Oil (Derv)	18.8	8.0	18.1	3.5
Naphtha	7.6	8.0	4.9	35.6
Fuel Oil	36.7	5.4	30.2	17.8
Total	79.3	5.7	69.1	12.8

Source: Shell U.K. Oil

Profit ceilings

Mr. Brian Bowden, marketing director of Shell U.K. Oil, said that any attempt to control retail prices artificially would create anomalies and, in some cases, force oil companies to exceed their permitted profit ceilings.

He attacked the new reference of oil companies to the Monopolies Commission.

The Commission has been asked to look at three specific activities: Price discrimination by oil companies between retailers; promotional schemes; and acquisition by oil companies of exclusive retail outlets selling petrol directly through managed sites or through tenancy and licensing arrangements.

It would cost Shell "several hundred thousand pounds" to collate and submit information.

The price-cutting war in the petrol market was evidence that the industry was subject to fierce competition, and far from monopolistic, he said.

Mr. Bowden's comments express the unease felt by many oil companies at the recent Monopolies Commission reference. They also add to the controversy surrounding the whole petrol retailing activities. In particular, Shell is critical of the claims by the Petroleum Retailers' Association about activities of major oil companies. The association has pressed for price controls to protect dealers from the effects of fierce competition in the face of dwindling demand for all oil products (see table). It claims that 10 petrol stations a day are closing though the Institute of Petroleum put the figure nearer four a day. The institute says that of 31,400 petrol stations nearly 23,000 are not owned by oil companies.

To safeguard market shares amid falling demand oil companies operate various price support schemes; in essence these are discounts to dealers so that they can cut pump prices. In most cases dealers are asked to cut their prices by the amount of the subsidies.

A major oil company is believed to have set aside £3m. to £4m. for this quarter to cover itself against this selective support. Shell reckons each penny per gallon conceded in price support cost the group £10m. a year in revenue.

In the past decade the share of the market of the majors—Shell, Esso, Texaco, Mobil, BP, National and Fina—has fallen steadily. In 1965 these companies had nearly 90 per cent. of the market. Last year it was nearer 75 per cent. Most has been lost to comparative newcomers to the retail market: Total, Arco, Gulf, Burmah, Chevron, Amoco and the Northern Irish group McMullans.

Criticisms

The industry has come under criticism, particularly, from the Petroleum Retailers' Association for its handling of tenancy and licensing arrangements and its control of the market through site-ownership and direct management.

Shell supplies about 7,500 stations of which 1,750 are company-owned. About 45 per cent. of its petrol is sold at company-owned stations. As part of the 1,750 Shell runs 60 direct-management stations. The group said these were needed for experimental purposes and to give the company a "feel" of the market. In the industry as a whole there was a decline of about 100 in oil company-owned stations.

The Motor Agents' Association, covering 13,000 retail outlets through which nearly 75 per cent. of the petrol flows, said yesterday it doubted whether as many as four stations a day closed last year.

Takeover Panel censures Gunn

BY MICHAEL LAFFERTY, CITY STAFF

THE CITY Takeover Panel considers that Mr. D. M. Gunn, joint managing director of A. Gunn (Holdings) which is now a subsidiary of Hewden-Stuart Plant, "acted indiscreetly and is deserving of reprimand" for not observing the strict requirements of Rule 7 of the Code. This rule stresses the need for absolute secrecy during bid negotiations.

More Home News Pages 8, 14, 22

In a statement last night the Panel said that it had carried out its own inquiry after Stock Exchange investigations into dealings which led to a rise in the price of Gunn's shares.

The Panel was informed that Mr. Gunn was attending a Board meeting on June 5, 1975, to discuss the merger with Hewden-Stuart Plant when it became clear to him that he would not be able to attend a wedding later that afternoon, although he would be able to attend the reception.

He therefore telephoned his host, Mr. S. S. Ordman, to tell him this and, by way of explanation, said that he was involved in merger discussions. That evening Mr. Ordman instructed his stockbroker to purchase shares in Gunn to a value of £5,000.

The Panel considers that these purchases "undoubtedly contributed to the substantial rise in the price of the shares of Gunn."

The Panel says it also feels bound to "record its disapproval" at Mr. Ordman's conduct, and it considers that "he knew or ought to have known that he received the information in confidence and that it was not to be acted upon."

WOOLWORTH JOBS CUT

About 20 sales assistants have lost their jobs at F. W. Woolworth's new store in the Eagle Centre, Derby, on "economic grounds following an escalation in wages."

COUNCIL RENTS UP AT CHESTERFIELD

More than 3,000 council house tenants at Chesterfield are to have rent increases of about 50p a week from April.

HOME NEWS

Liquidity problems could check recovery says CBI

BY ADRIAN HAMILTON

A WARNING that liquidity problems among companies could stunt the economic revival now under way in the U.K. was given by the Confederation of British Industry.

Publishing its latest economic situation report, the CBI reveals that its regional offices are reporting that the liquidity position for a number of companies has further deteriorated, at least relative to expectations, in the very recent past.

This, the CBI points out, is far earlier in the cycle than had been feared, and may be partly explained by a shortfall of actual sales from expected sales and actual output.

Not only might this indicate that the revival is not as great at the moment as some companies had expected, but it might also mean that companies, which have enjoyed improved cash flows because of rapid destocking, may now find difficulty in restocking because of financial constraint.

It is the combination of this kind of problem with fears of the continuing restraints provided by the balance of payments and continuing depression in consumer expenditure which makes the CBI very cautious about the rate of any upturn on output over the future.

While declaring with greater confidence than ever that the decline in output is at an end, it goes on to predict that output will rise by less than 2 per cent. through this year and only slightly more rapidly, at around 2.5 per cent. next year.

Unemployment, in line with recent forecasts from almost every quarter, is expected to go on increasing this year, albeit at a slower rate than last year, to a peak of around 1.5m.-1.6m.

The balance of payments, the CBI suggests, could improve by about £500m. in 1976 on 1975 and nearly as much in 1977 on 1976, largely because of the impact of North Sea oil.

But the CBI still sees the balance of payments as a "serious constraint" on the rate at which the economy can grow in the medium-term.

It remains relatively cautious about the rate at which private investment will grow, predicting a fall in the volume of private non-residential fixed investment by about 2-3 per cent. on 1975—to which it will only return in 1977.

Within this total, manufacturing investment is expected to be 8 per cent. lower in 1976 and 1975 but to rise from the middle of this year, while non-manufacturing private investment is expected to remain at about the same level in both 1976 and 1977.

On other aspects of the economy, the CBI feels that destocking should end during the third quarter of this year with a gradual rise in inventories after that.

Consumer expenditure, it says, is likely to fall in the first quarter, rising after that but at a lower pace than output through the rest of this year and 1977, with only a moderate fall in the personal savings ratio over the period.

The Confederation remains relatively optimistic that the Government will see its targets met in reducing inflation rates but remains relatively gloomy about unemployment.

Government accepts plan for E. Anglia

BY ROY HODSON, REGIONS EDITOR

EAST ANGLIA is acknowledged to be Britain's fastest growing region in terms of population in a Government statement issued last night accepting the strategic proposals for the region published last year. These included the central idea that the region might have to accommodate 500,000 more people by the 1990s.

The Council for the Protection of Rural England immediately countered with a statement calling the Government's attitude a "savage blow" at a unique part of England's landscape heritage.

The Government's views are published in an official Response to the Strategic Choice for East Anglia (Stationery Office 1975, £5.50). The Response, published by the Department of the Environment identifies population growth as the region's main problem and says the first priority for local authorities in the region is to guide and accommodate growth without detriment to farming or to East Anglia's largely unspoilt environment.

The Cambridge area is recognised as being subject to special pressures, including long-distance commuters to London. In the Government's view, planning policies in the Cambridge area should reflect the need to protect the historic character of the city and the environmental quality of the surrounding villages as well as the good farmland in the area.

The Government does not favour special policies for East Anglia to induce or accelerate the expected population growth, but recommends that existing schemes for planned overspill in new and expanding towns should be completed and that further schemes be considered

Leonard Burt

Nato Secretary-General Dr. Joseph Luns visited London yesterday to see if he could help find a settlement to the cod war between Britain and Iceland. Breaking his return from the U.S. to Brussels for a day of talks, he first saw Mr. Callaghan, the Foreign Secretary, and Mr. Fred Peart, the Agriculture Minister. They then moved to Downing Street to confer with Mr. Wilson.

Dr. Luns said that he was here at the Nato Council's request and that he would soon be putting to Iceland the points made to him by the British Ministers. There was no word of what those points might be, but Mr. Wilson made it clear that Britain attached importance to the "Nato aspect" of the fishing dispute between two of the alliance's members.

All was quiet on the fishing grounds, despite one attempted warp-cutting by an Icelandic gunboat.

U.K. man-made fibre output fell 10% last year

BY RHYS DAVID, TEXTILES CORRESPONDENT

MAN-MADE fibre output in Britain dropped to its lowest level last year since 1969, with total production down more than 10 per cent. on 1974 and 23 per cent. lower than the record figure achieved in 1973.

The industry also recorded for the first time a small deficit on its trade with the rest of the world, according to figures produced by the British Man Made Fibres Federation. Though both exports and imports of man-made fibres and fabrics were down, the fall in exports was greater, with the result that a surplus of £33m. in 1974 was converted into a deficit of £2.2m.

The year-end figures, which reflect the unprecedented downturn in demand from fibre-using industries, form part of a general pattern now being reported around the world in fibre output. Last month Enka Glanzstoff, part of the Akzo group, put total fibre production for 1975 in all countries at 10.4m. tonnes, roughly 1m. tonnes below the 1974 figure.

Production in Europe is estimated to have fallen some 19 per cent. in 1975 compared with a 11 per cent. drop in the U.S. and 12 per cent. in Japan. Output in the U.K.—down 10 per cent. on 1974—has fallen away somewhat less than in Europe as a whole but this is explained by the sharper fall-off which took place in 1974 in Britain.

The figures, while confirming the depressed state of the industry in 1975, do suggest that some improvement has been taking place in recent months—possibly as a result of restocking by customer industries. Total output for the year came to 562m. kg. with output at its highest in the fourth quarter when 150m. kg. were produced. This has to be compared, however, with the peak output of 190m. kg. in the fourth quarter of 1973.

Within the overall totals, filament yarn production was down 9.4 per cent. on 1974 levels, with staple fibre down 11.4 per cent. The smaller drop in filament yarn production has enabled it to increase its share of total output to around 44 per cent.

MAN-MADE FIBRES PRODUCTION (m. kg.)

	Continuous Filament Yarn (Singles)	Staple Fibre	Total
1966	46.65	53.32	99.97
1967	49.71	58.59	108.30
1968	60.43	74.35	134.78
1969	63.11	75.37	138.48
1970	64.39	85.46	149.85
1971	69.09	84.17	153.27
1972	66.00	90.63	156.63
1973	76.39	106.32	182.71
1974	67.75	89.14	156.89
1975	61.62	78.99	140.61

(Average of quarterly figures)

The federation points out that, despite the recession in world textiles, the British market gained very little respite during the year from the pressure of cheap imports. Total imports of fibre, yarn and fabric at £352m. were down only 3 per cent. on the previous year. Moreover, while at the fibre and yarn stage some decline did take place, this was more than compensated for by increases in imports of woven and knitted fabrics.

Imports of fabric were the main factor behind the small deficit recorded in man-made fibre trade as a whole. At the yarn and thread stage, the fibre manufacturers managed to maintain a healthy surplus of £71m.

Total exports in 1975 were down some 12 per cent. on the record level of 1974 at £350m. The U.K. industry is hoping that overseas markets will pick up in the remainder of this year and enable it to return to higher levels of output.

Some further signs of improvement have now been recorded in the U.S., the most important fibre market and a major fabric exporter in 1975.

Shipments of synthetic yarn and staple in 1975 to the U.S. exceeded the 1974 totals as a result of improved demand in December, and stocks have now fallen to less than one month's supply.

SNOW REPORTS

	Depth (cms.) L.	Depth (cms.) U.	State of Piste	Weather	°C
Anzere	80	100	Good	Snow	0
Crans	25	75	Good	Cloud	−4
Davos	42	165	Good	Cloud	−3
Kitzbühel	45	110	Good	Cloud	3
Les Menuires	50	100	Good	Cloud	−3
Saas Fee	40	105	Good	Cloud	6
Sauze d'Oulx	32	185	Fair	Fohn	2
Seefeld	38	105	Fair	Cloud	4
Val d'Isere	65	115	Good	Cloud	−3
Wengen	30	130	Good	Fine	−1

Above reports supplied by Ski Club of Great Britain. The following reports are from other sources—

AUSTRIA					
Badgastein	75	75	Good	—	6
Brand	40	150	Good	—	6
Gargellen	100	120	Good	—	−3
Mayrhofen	15	95	Good	—	−4
Saalbach	55	168	Good	—	1
FRANCE					
Alpe d'Huez	70	130	Good	Cloud	—
Chamonix	10	90	Good	Cloud	—
Courchevel	40	120	Good	Cloud	—
Megeve	35	130	Good	Cloud	—
St. Gervais	50	100	Good	Cloud	—
NORWAY					
Finse	215	265	Good	—	−4
Lillehammer	40	60	Good	—	−3
Oslo	28	45	Good	—	−1
Voss	125	143	Good	—	−6

SCOTLAND

Cairngorm—Main runs complete, hard-packed snow with icy patches. Lower slopes: snow runs complete, hard-packed snow with icy patches. Vertical runs 1,600 feet. Access roads clear. Snow level 2,000 feet. Glenshee—Main runs complete, hard-packed snow, with icy patches. Lower slopes: ample nursery areas, hard-packed snow with icy patches. Vertical runs 1,000 feet. Access roads icy. Snow level 2,000 feet. Glencoe—Main runs complete, new snow drifting. Lower slopes: ample nursery areas, new snow drifting. Vertical runs 1,300 feet. Access roads clear. Snow level 2,100 feet. Forecast—Mainly cloudy with rain preceded by snow.

Rise in gas prices 'will be below rate of inflation'

BY RAY DAFTER

GAS PRICES are expected to rise at a slower rate than the retail price index over the next five or six years, Mr. Jack Smith, British Gas Corporation Board member for finance, told a Commons select committee yesterday.

He said the corporation hoped to achieve this comparatively slow rate of price escalation while building up reserves of £500m. by the early 1980s.

Sir Arthur Hetherington, chairman, Mr. Smith and other corporation members explained at a sub-committee meeting of the Select Committee on Nationalised Industries that future cost increases would be spread across a much bigger volume of gas sales. Much of the cost of installing the distribution network and converting to natural gas had already been borne.

Even the important supplies of gas from the Anglo-Norwegian Frigg Field, expected to cost considerably more than gas from the southern U.K. sector of the North Sea, would have only a minimal impact on the price to customers.

Gas from the Frigg Field—due on stream in October next year—and the Shell/Esso Brent Field should mean that sales will increase by up to 50 per cent. by the early 1980s.

Mr. Denis Rooke, deputy chairman, suggested that Britain could expect a "very significant" gas industry well into the next century. Existing reserves in the North Sea would be running down by the 1990s, but with ten years further exploration it was inconceivable that further major reserves would not be found.

Price restraint

Sir Arthur strongly criticised the effects of price restraint on the industry. "We intensely dislike being in deficit," he said. "We regard it as a slur."

He believed the corporation should have been allowed to make a profit of 4 per cent. on turnover, which would have given a surplus of £42m. in 1973-74 and £52m. in 1974-75.

Because of price restraint, the Corporation had made an actual loss of £84m. This meant that restraint had cost the Corporation £178m. over the two years.

P.O. plans for 25% on parcels in April

BY ARTHUR SMITH

THE POST OFFICE plans to raise parcel charges by 25 per cent. from April 26. But telephone and ordinary letter prices will be held steady at least until the end of July, Sir William Ryland, the chairman, pledged yesterday.

He hoped to keep prices steady for "a further period beyond next July," if the economic situation and co-operation between management and staff in raising efficiency continued. "But obviously the Post Office cannot commit itself until it can see how the situation develops meantime," a spokesman said.

Announcing details of the parcel price increases, first disclosed in the Financial Times on January 26, the Post Office announced that charges for heavier letter packets and overseas mail will also be raised.

Increases on inland letter packets range from 3 per cent. (or ½p) for 100 to 150 grams first class to 16 per cent. (or 4½p) for 450 to 500 grams second class.

Some overseas postal rates for surface mail and air mail will rise by a weighted average of between 5 per cent. and 39 per cent.

Optimism in the Post Office is mounting about the financial position following the two hefty price increases of last year. There are hopes that the Corporation will finish the current financial year in the black. Telecommunications is likely to show a bigger profit than the anticipated 2 per cent. return on turnover, while posts will probably not have to take up the full £70m. which the Government is offering as compensation for former price restraint.

The proposed increases in parcel charges are estimated to yield around £23m. in a full year and the overseas rates a further £6.5m.

Parcels have long been an unprofitable activity for the Post Office and a surplus has not been realised since 1967-68. Losses have mounted to more than £122m. since then. Last year, the service had a deficit of £42.5m. and suffered a loss of nearly 70p for every £1 taken in revenue.

Parcel tariffs were raised by an average 50 per cent. last March and by a similar amount in September. Figures have not been made available for traffic loss caused by successive price increases, and the Post Office Users National Council indicated last night that this was one area it might want to explore.

Angry Whitehall/Dublin exchanges on 'torture'

BY GILES MERRITT IN BELFAST

ANGRY statements from the Stormont Castle offices of Mr. Merlyn Rees, the Ulster Secretary, and from the Irish Government yesterday made it clear that a bitter diplomatic row has broken out between Whitehall and Dublin over the "torture case," on which the European Commission of Human Rights has just reported.

The Commission's confidential findings on allegations made four years ago by the then Fianna Fail Government of widespread torturing of IRA detainees by the security forces in Northern Ireland were communicated to both governments on Tuesday.

Although in accordance with the European Convention neither has released the report, seemingly authoritative speculation in the Dublin newspapers yesterday morning that the Irish allegations have been largely upheld and that the Irish Government will refer the case to the Court of Human Rights has drawn a sharp reaction from the Northern Ireland Office.

The British Government, a communique stated, would have "no objections to its (the report's) publication, since this would demonstrate the speculative nature of the unofficial reports circulating in Dublin."

Within hours the Dublin authorities replied publicly, stating that they "would welcome the publication of the report as soon as possible," adding that they noted "that apparently the British Government has no objection to its publication."

The statement concluded: "The Irish Government will explore the possibility of securing, consistent with the obligation of the two Governments under the Convention, the publication of the report at the earliest possible date."

A spokesman also refuted the Stormont Castle communique's delicate implication that this morning's Dublin Press reports stemmed from unofficial guidance, saying: "There has been absolutely no leaking whatsoever."

These open exchanges between the two Governments marked a fresh deterioration in Westminster-Dublin relations already strained by the so-called "war of words," that has repeatedly marred co-operation during the past seven months.

The two Governments, it is understood, will now seek independently permission to publish the Commission's report in the belief that disclosure will support both their positions while preventing further harmful speculation.

The conflict between Dublin and London, however will become far more serious if after the three months it now has to examine the report, the Irish Government decides to press its case in open court.

Some hope of settlement in Haw Par case

BY MARGARET REID

TOP-LEVEL LEGAL consultations, involving one of Singapore's leading barristers, are under way in London on behalf of Haw Par Brothers International, the Singapore group engaged in a dispute over a $29m. (£14½m.) loan to it from Slater Walker Securities.

Mr. Harry Wee, chairman of the Singapore Bar Council, who is adviser to Haw Par and took part in abortive negotiations on the loan controversy with SWS' new chairman, Mr. Jimmy Goldsmith, in December, is on a visit to Britain.

It is understood that Mr. Robert MacCrindle, QC, has been retained as senior counsel advising Haw Par on the matters at issue, already the subject of legal action instituted on both sides.

Despite the legal suits initiated, under which SWS sues for repayment of the loan, while Haw Par claims damages concerning matters including a related £16m. share sale in 1973, hopes of a settlement, avoiding a long legal battle, do not seem to have been abandoned.

Negotiations have been in progress for some days about the possible payment of the $12½m. first instalment of the loan, due last month, into a joint Haw Par-SWS account, pending settlement of the legal issues.

Mr. Goldsmith, as chairman of SWS, is being advised in these matters by Lord Goodman, while Eric Levine and Co. is acting for SWS and its Slater Walker banking subsidiary.

هكذا صدر الأصل

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● INSULATING MATERIALS

Cheap fibres from many sources

COMMERCIAL production of a new family of fine glass-like fibres intended primarily for domestic and industrial insulation purposes and manufactured according to a process developed and patented by Saint-Gobain-Pont-à-Mousson under the name "Tor" is to be taken up before the end of this year.

The main advantage of the process resides in the long list of vitrifiable materials which it can handle and the important fact that mixing of the ingredients for a melt is nowhere near so critical as in the manufacture of glass fibre, for instance by St. Gobain's own Tel and Supertel processes. This must result in a lower-cost end-product.

Among the materials which can be used to produce the fibres are alumina, magnesia and even blast furnace slags, so the Tor process can be operated at considerably higher temperatures than would be contemplated for glasses and then will produce fibres suitable for severe industrial conditions.

Following the successful operation of the process in an experimental plant—it left the laboratory some two years ago—two pilot plants are being erected, one at Rantigny in France (near St. Gobain's main glass fibre research centre) and one at Ladenburg in Germany. The French plant will be operated by St. Gobain Industries and specialise in the production of low-density lightweight glass fibre for insulation.

In Germany, where some DM60m. are being spent on the plant, operations will be in the hands of Grunzweig + Hartmann und Glasfaser AG. This plant is to make an extremely dense fibre material made from a variety of minerals, particularly suited for industrial plant working at temperatures in the range from 800 to 1,000 degrees C. This is an area in which the German company has acquired a considerable reputation in Germany and Europe as a whole.

A spokesman for St. Gobain told the Financial Times yesterday that the high temperature version of the process was superior, in many respects, to other systems for turning minerals into fibres in that all materials vitrified are made into fibre, with no particulate residue. Thus the final product can be densified to a very high degree and provide much more insulating power for a given weight than materials produced by other processes.

The Tor process has been patented in a number of countries. In the U.S., in particular, the usual administrative procedures have been speeded up because of the interest shown by the Patent Office there in the new process.

St. Gobain is at 54, Avenue Hoche, 75365 Paris, Cedex 08. (010 33 1 924 4929.)

● HEATING

Swinging radiators

DECORATING and cleaning behind wall mounted panel radiators usually means draining the system, or at least the radiator. Now a system is available which enables the radiator to be swung down from the wall without closing valves.

The system has two features. An "O" ring seal takes over temporarily from the standard metallic compression seal, and an adjustable wall bracket allows the radiator to be lowered until it is supported on two wall hooks and is released from the wall brackets, when it can be swung down from the wall.

The "O" ring seal is incorporated in a modified valve tail piece. The union nuts may be tightened to ensure that no leakage occurs if extended work on the swung down radiator is necessary.

The modified valves, wall brackets and hooks are available from Slaven Enterprises, Lightcliffe House, Pontefract Road, Hemsworth, West Yorks., WF9 5LW (0977 610839).

● INSTRUMENTS

Clear-cut radiation reading

LIQUID crystal displays are used in model 751 radiation meter announced by Scanray. Of the latest type, the displays are compensated for ultra violet and incorporate polarising plates for all-angle clarity.

The compensated Geiger Muller tube detects gamma or X-ray ionising particles; a pulse discriminator detects pulses from the tube and limits noise. The digital display is the result of a pulse count over a fixed time period and is updated at the end of each time cycle; no flickering occurs.

Housed in a moulded high-impact nylon case, the 751 measures 175 x 110 x 30 mm and is lightweight. Measurements can be made, in two ranges, from 0.0001 to 1.999 rad/hr. The unit is supplied complete with PP9 battery and a small earphone for the audible output. Further details from Scanray, Barton Road, Milton Keynes MK2 3LQ. (0908 70771).

More than just a time clock

MODEL 780 time recorder from Simplex Time Recorder Company is available in automatic and manual/automatic forms so that applications will be found in job costing, access records for vaults, restaurant order check recording and many other tasks apart from the customary attendance recording.

Both versions incorporate a universal throat designed to take any size of form and both can be installed on horizontal or vertical surfaces.

The recorders have large clear type with AM-PM designation alongside the hour characters. A completely automatic ribbon feed and reverse ensures long ribbon life and decimal typewheels in 1/100 or 1/10 types are available. Easily-read face dials are protected by shatterproof windows and the whole unit is 254 mm. (10 inches) high and weighs 2.7 kg. (6 lbs). More from Simplex House, 63, Wilbury Way, Hitchin, Herts. SG4 OUQ (0462 52081).

● EXHIBITIONS

Problems of corrosion

CAUSES of corrosion and ways of minimising or avoiding it are to be explained at an exhibition to be held at The Design Centre, Haymarket, London, from March 24 to April 19.

The three main factors which must be considered — materials employed, the ways in which they are formed and assembled, and the environment in which they are used — will be dealt with and there will also be a section covering protective treatments and the services generally available to industry.

● RESEARCH

Building to save energy

TO TRY to find ways of reducing Britain's future energy bills, a building science research and development unit has been established at York University, with the aim of developing alternative building technology for maximum energy conservation. Pilkington is supporting the unit with a £50,000 two-year grant.

The unit will work from the Institute of Advanced Architectural Studies at the university. Its director will be Mr. Peter Greenwood, a building scientist and co-designer of a new type of solar-heated house originally worked on at Loughborough. Tenders for the construction of nine of these houses will be called for over the next six weeks, and work is expected to commence in mid-summer. The houses will be built at Higher Bebington, Merseyside.

Energy conservation techniques for commercial and industrial buildings will also be investigated over the next two years.

Carbon rod atomiser

FOR use in trace and ultra-trace metal determination by atomic absorption spectrophotometer is a carbon rod atomiser developed by Varian Techtron.

A much denser cloud of atoms is produced than in ordinary flame methods and the new CRA-90 rod results in 100 to 500 times better sensitivity. Detection levels are in the one part per billion range.

The workhead of the unit, an electrically heated graphite atomiser, is linked to a temperature-programmed control module and is water cooled during operation. It is interchangeable with the burner head used for flame atomisation and is fully compatible with most modern atomic absorption instruments.

Customary "dry," "ash" and "atomise" sequences are produced by the controller and the user can easily control temperature adjustments up to 3,000 deg. C. High speed cooling of the workhead coils from 3,000 deg. C in 20 seconds, so that a new sample can be analysed up to 90 seconds after the previous one. U.K. inquiries to Varian Associates, Molesey Road, Walton-on-Thames (09322 28971).

Diesel pump test rig

A HEAVY duty diesel fuel injection pump test rig, the Series 1600, has been introduced by Leslie Hartridge, Buckingham, Bucks. (02802 3661), a Lucas company.

Designed to test single cylinder pumps fitted to diesel engines used for generating, marine and railway applications, the machine is capable of testing up to four C type pumps simultaneously; it can also handle many of the X, D and E size pumps now in service.

The main motor provides a minimum of 30 h.p. at the coupling over the majority of the operating speed range of 0 to 3,000 r.p.m. A hydraulic variable speed transmission is used and flywheels with different moments of inertia can be specified.

To ensure accurate measurement of the test pump output, either two or four 500 c.c. positive displacement metering cylinders are fitted. They will operate at speeds below 100 r.p.m. An independently driven pump provides test oil at 450 g.p.h. and up to 80 p.s.i.

Simulates the sun

MANUFACTURERS needing to assess the effect of prolonged sunlight on their products under controlled conditions will be interested in a solar radiation facility opened at Plessey's product assessment laboratories, Titchfield.

This "sun simulator" is able to reproduce the worst known solar radiation conditions and makes use of long arc xenon tubes. The spectral density is controlled to imitate natural sunlight and can be combined with diurnal temperature variations of the type that would be encountered under operational conditions.

Not only can the facility show the effect of ultra-violet radiation on rubbers and plastics such as cableforms and plastic assemblies, but it will also create the associated temperature rise inside equipment and, combined with other tests, enable designers to check the operation of cooling systems.

Some 70 engineers and technicians are employed at the laboratories and approvals are held from Civil Aviation Authority, Defence Quality Assurance Board, BSI and the British Calibration Service. More on Titchfield 43031.

● PROCESSI...

Takes sc... from liq... at speed

A VIBRATORY s... separating solids f... has been designed... Industries, P.O. Bo... rington WA1 2SU (...

The screener is el... capable of handling... hr. at running costs... 40 per cent. lower... tional centrifuges a...

It is an improve... the company's L... capacity is up 25 pe... needs less power... last longer and tak... the time needed to... ventional vibratory... Locker, claiming th... the screen's capital c... of more convention... handling 30 micron...

A typical applic... food industry is... separate effluent fr... cessing at 20,000 g... 60 mesh.

● MACHINE TOOLS

Controller uses tiny computer

PRE-LAUNCH discussions with selected U.K. and Continental machine tool manufacturers have already led to the sale of some 30 systems using the latest concept in machine shop automation introduced by Plessey. Deliveries will commence in the next few weeks.

Apart from the usual applications, such as capstan and centre lathes, and millers, the system is being applied to pipe benders, worm and thread cutters, and press brakes. Although all these installations are on new machines, the equipment can readily be retrofitted.

Called RUSC and micro-computer based, the system has two main units—a machine tool controller (costing about £2,700) and a portable editor (costing about £3,000). It is estimated that to instal the controller on a machine a further £2,000 would probably have to be spent on providing suitable pneumatic / hydraulic drives and control connections.

Using the editor (which has a display screen and alpha-numeric keyboard) the planning engineer writes and edits programs to enable the machine tool to generate a component or part. When a part program is ready, the planner takes the editor to the shop floor (rechargeable batteries maintain the memory when the unit is disconnected from the mains).

The editor is connected to the controller, and the machine operator and/or planner can modify feeds, speeds and geometry of the job for maximum efficiency. When this has been achieved, the final version of the program is contained in both the controller and the editor.

With the aid of the editor, the final program can be transferred to permanent record on paper tape, magnetic tape cassette or print-out, to build a library of part programs. The controller can be directly interfaced with cassette storage, and can be reprogrammed by this method.

The editor can be used for preparing and checking programs for either NC machines or RUSC controlled machines. A single library tape may be used to load the controllers on a number of machines.

The operator has only to load and unload the machine, and correct for tool wear or replacement. The controller can direct up to four axes simultaneously and can store up to 600 blocks of part-program information as well as containing logic sequences associated with any specific machine tool.

This new design incorporates the use of microprocessors, isolation of inputs and outputs, and a switching mode power supply. These features led to a reduction in size, reduced heat dissipation (enabling the controller to be sealed in a non-ventilated cabinet) and greater noise immunity.

Plessey considers that transfer of part program data from memory is much more reliable than data input from a paper tape reader and obviates the mechanical problems associated with the electro-mechanical/optical tape readers usually found on NC machines.

Savings quoted are substantial. In comparison with manually operated machines—cost per part and production time... halved, says the co... details from Plesse... Controls, Sopers ... Dorset BH17 7ER (...

Plessey's RUSC controller—part of its latest equipment for automating machine tools.

Another compan... stepping into the... between the fully... CNC machine to... manually controlled... the Akron Machin... pany, 29 Burners... Farm Industrial E... Keynes, Bucks., MK... 315040).

It has taken the... Hardinge DSM 59 s... capstan lathe and au... providing an elect... control unit and... hydraulic drives fo... turret, etc.

The control unit... 32 steps and 32 f... provides full manual... operation from ... allowing single step... or continuous sp... inching).

To establish ... sequence in the... required operatio... ried out with the... on "manual" ... "memory" button... after each discre... such as "collet o... close," "front sli... The machine, whi... h.p. motor, a ma... capacity of 26mm... turret hole diame... working travel o... speeds varying f... 3500 r.p.m., is ... accurate to ± 0.00...

Fully equipped, ... and the company... already sold one ... U.S. where the ne... tive control unit i... the price.

Akron says there... why the system c... applied to much l... lathes, and is in di... U.K. manufacturers...

● DATA PROCESSING

Barclaycard runs on new system

ONE HUNDRED man-years of concerted effort between Barclays, IBM and Data Logic lie behind the newly implemented Barclaycard operation, running on two 370/168 computers and a series of remote terminals.

Phased over a two-year period, this major system — comparable in its complexity with the TOPS system on British Rail and airline reservations systems—is intended to provide the bank with more efficiency in operation, together with better customer service and faster provision of analyses for management guidance.

Characteristics include direct entry of data through displays and keyboards, on-line interrogation of the data base, production of narrative statements for customers and improved financial and merchanting data.

IBM's primary data base language DL/1 was used with teleprocessing covered by TCAM.

Data Logic is at 320 Ruislip Road, East, Greenford, Middlesex, UB6 9BH (01-578 9111).

European group has fast growth

CSG—CAP, Sogeti, Gemini—has announced that its turnover for 1975 exceeded £25½m. This represents an increase of approximately 31 per cent. over the 1974 turnover of £19¼m This makes the group one of the world's largest.

Of this amount £15½m. came from France, including £2m. from bureaux and data acquisition activities, while the whole of the non-French revenue of £10m. was generated from consultancy and product sales.

Growth amounted to 28 per cent. within France and 36 per cent. outside and thus followed the trend envisaged in the group's long-range plan which forecasts that 50 per cent. of its revenue will come from overseas operations by 1980.

Thrust into Europe

BRITISH manufacturer of source data capture terminals, Senosa, has established a sales and service office in Paris at 1 Rue de la Tour, Centra 249 and at the same time has announced that Stock Control International of Klavecimbellaan 3, Uden, Holland, is appointed exclusive distributor in Benelux for the Directdata range of terminals.

Also announced by the company is a price reduction on the Directdata 16 from £913 to £739 and from £1,800 to £1,550 on the OCR unit. More from Cores End Road, Bourne End, Bucks (06285 26083).

Pact will assist users

COMPUTEL, Bracknell based computer service house, and the Computer Aided Design Centre at St. Helens, Lancs., have entered into a joint working agreement to combine their respective expertise.

Computel will be marketing, on behalf of CADC, graphic and visualisation techniques with particular emphasis on the GINO-F language and the MEDALS draughting system. The service house will also be using the CADC 1904A as an extension to its own 1904S at Bracknell. Clients will be able to dial into the CADC facilities at local telephone rates from the London area.

CADC will be assisting Computel by providing operational support on the 1904A and by marketing Computel's PERT and PROSPER services.

Computel, Eastern Road, Bracknell, Berks. (0344 23031).

● ELECTRONICS

Resist is highly viscous

SUBSTANTIAL improvements in production of semiconductors and integrated circuits are claimed for a new ultra-pure, high viscosity positive photoresist manufactured by Micro-Image Technology.

Isofine HR Photoresist is produced under strictly controlled environmental conditions and filtered down to 0.2 micron. However, this new product is available in a range of high viscosities; 100 cps (centipoise), 50 cps, 30 cps, 15 cps and 8 cps. Up to now the normal viscosity for this type of chemical has been between 8 and 3 cps.

This new photoresist will provide manufacturers of electronic components with two main benefits. Firstly, the purity and high viscosity of the chemical greatly reduces the chance of damage to the chip during etching and so helps improve productivity by increasing the yield from each batch produced. In addition the higher viscosities available will, it is claimed, give excellent step coverage, even when steps of up to 3 microns deep are being etched. Because of the photoresists' high spectral sensitivity to ultra-violet light sources, these thicker layers still give fast exposure times and provide stable and reproducible images.

Micro-Image Technology is located at Greenhill Industrial Estate, Riddings, Derby, DE5 4UB, 077 384 (Leabrook) 3933.

Protectors cover a big range

NINE NEW types have been added to the Mullard range of zinc - oxide voltage-dependent resistors. They provide transient suppression and contact protection at supply voltages from 55 to 415V. a.c. (d.c. ratings are 40 to 340V).

Compared with their silicon carbide counterparts zinc oxide VDRs have a much... gree of non-linearit... change with volt... higher energy ha... bility (up to 8 joul...

In operation the... nected directly acro... to provide two-wa... by preventing tra... the supply affecti... tected circuit and h... transients generat... circuit from escap... supply lines. The... one element in a v... —the other elem... source impedance... the VDR functions... high resistance, pa... rent of about 1m... high voltage trans... the resistance of t... dramatically and th... short circuits the t...

Another role f... is its use as a con... in circuits where... dealing with an in... Its action reduces... ting and also dra... duces the amount... duced when th... operate.

Mullard House, ... Place, London W... 6833).

● METALWO...

Two sm... welding sets

FOR GARAGE, farm... and maintenance us... Decker Industrial, C... Maidenhead, Berks. (062882 2130) has... two manual metal... sets.

Both have an... variable capacity 2... and 25 to 150 A... with the welding c... cated on a sliding s... case, where there is... to suitable electrode... The sets, designated... GD2150, weigh 19½... and have maximum... capacities of 3.2 and... single phase supply...

This company has... duced a range of... carbonate cased pow... formers to provide... for power tools. T... 0.75, 1.1.5 and 2.3 k...

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PARLIAMENT

Tories demand car industry targets

IN THE six months following the Government's action on British Leyland, there had been more strikes in that company than in the six months preceding it, Mr. Tom King, Opposition industry spokesman, said in the Commons yesterday. "Where is the total change of attitude which everyone recognised as necessary?" he demanded.

The next tranche of money for British Leyland was £100m.—"not just a few pence from a piggy bank"—and this would have to be put in in June. "Yet we still have no idea of the targets the Government and the National Enterprise Board are expecting British Leyland to match at this time so little is being done."

Mr. King said that nobody in the Government, with the possible exception of Mr. Varley, believed that Chrysler had any prospect of viability. "The Industry Secretary is the only person who has even begun to suggest that the business might continue. Presumably this is just his personal hunch."

The only projections so far were for years in which losses were expected. The Government's strategy was "total nonsense."

Referring to a Granada TV programme about the Government's Chrysler rescue operation, Mr. King commented: "It has not escaped the notice of this House that the Secretary of State and others are prepared to sing like canaries to the Press but are not so keen at all to sing to Select Committees of this House, which might have been a more appropriate place to do it."

Mr. Eric Varley, said: "It is really about time that the Opposition stopped their carping and nagging, and made up their minds whether they want to give the British motor industry a chance.

MR. TOM KING

Strategy "total nonsense."

"We are not afraid to face the harsh facts about the motor car industry but there are other facts, too. There are facts about the achievements of the industry, facts vindicating this House's approval of the Government's decision to invest public money in that industry.

"If the Opposition had their way there would not be a British Leyland to-day. It would have been split up and most of it allowed to go under. Yet British Leyland has made very great progress."

Mr. Varley added: "Of course, the main test must be to rebuild British Leyland and return it to viability and that main task is still before us. It is a formidable task and there is a long way to go but there are hopeful signs." He described the export performance as being "most encouraging."

"If Conservative MPs had had their way . . . much of this would not have happened and we would have lost not only hundreds of thousands of jobs but hundreds of millions of pounds on the balance of trade and balance of payments."

He announced that a new committee representing the major motor companies and unions would be working for a more stable environment for domestic sales.

The committee would include Mr. Jack Jones, general secretary of the Transport and General Workers Union; Mr. Hugh Scanlon, president of the Amalgamated Union of Engineering Workers; Mr. Alec Park, head of British Leyland; Mr. Terry Beckett of Ford's; Mr. Bill Price, the Vauxhall chief; and Mr. Gilbert Hunt of Chrysler U.K.

Mr. Varley said that fundamental changes of attitude were needed throughout the industry. "We have to assist the necessary reorganisation and rationalisation to ensure the Government's policy and the industry's plans are understood, and provide, as far as possible, a suitable economic environment for domestic sales of motor vehicles."

Mr. Norman Buchan (Lab., Renfrew W) who has Chrysler's Linwood plant in his constituency, told MPs that the most intelligent approach to the Chrysler question had been put forward by the workers themselves. They had been "ignorantly and stupidly criticised" in the Press and in the House.

Liberal trade and industry spokesman, Mr. Richard Wainwright, remarked: "The very existence of the Ryder Committee, the shocking report it produced, the farce over Chrysler and the production of the document on criteria for State assistance are indications of anarchy in this sphere."

"What we need is some major constitutional device for administering these enormous sums of money," he added.

Varley engine sounds smoother

BY PHILIP RAWSTORNE

PROGRESS IN the motor industry had begun to vindicate the Government's investment of public money, Mr. Eric Varley, Secretary for Industry told the Commons yesterday.

Formidable tasks still remained, he admitted—and he announced that a group of leading trade unionists and management representatives had been brought together to help in the process of achieving a viable and competitive industry by the 1980s.

Whatever industrial problems remain, however, Mr. Varley found little difficulty in disposing of the political challenge of a Conservative censure on the Government's policy.

"It is really about time that the Opposition stopped their carping and nagging and made up their minds whether they want to give the British motor industry a chance," he declared.

What a nerve they had, he said—presumably addressing more than the 14 Conservative MPs present for the debate—to criticise the Government for using the Tory Industry Act for the purpose its authors had intended.

Mr. Tom King, the Conservative spokesman, firing fitfully on three cylinders, attacked the Government's "incompetence" in failing to follow its own industrial guide-lines.

The Chrysler investment could have been more profitably applied to other sectors of industry, he declared. Another £100m. was due to British Leyland in June but no one yet knew what targets had been set for the company.

...kytrain ...fusal ...tacked Tories

...IN HUNT

...ERE indignant cries of ... from the Tories in ...mons yesterday when ... Shore, Trade Secre... ...ounced that he has ...jected the proposed ...ytrain service on the ...antic on the grounds ...uld merely add excess ...d severely damage the ...ervices of British Air...

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Change voting system. . . or risk U.K. break-up, Byers warns

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE Scottish National Party could well hold the balance of power after the next General Election—unless the present electoral system is changed, Lord Byers, Leader of the Liberal Peers, told the Lords yesterday.

Nothing would be more likely to produce unstable government and the possible break-up of the U.K., he warned the House.

Calling for the adoption of a more equitable system, Lord Byers contended that it was too dangerous to continue with the present methods, and the electoral issue should be dealt with as a matter of urgency before the next election.

Even the usual argument that the present system tended to produce stable government was now being challenged, he pointed out.

At least part of the reason for our present social and economic crisis could be found in the way the Commons was elected, the Liberal leader maintained. The present electoral system had produced instability, undermining confidence and exaggerating the influence of extremists.

Prospects

This was why a growing number of industrialists were demanding a change of system, Lord Byers declared. In the past ten years, there had been neither proper representation nor stable government.

Between October 1964 and October 1974, there had been five general elections and three changes of government. But only two of those elections had produced a reasonable working majority in Parliament for a single party.

The frequency of elections, he suggested, meant that governments were primarily concerned with their electoral prospects, rather than the long-term interests of the country. The results had been disastrous for the economy.

The present system of "adversary politics" exaggerated differences between Government and Opposition, with each party often committing itself to outright opposition to proposals which were only marginally different from policies they had sponsored themselves."

Lord Byers suggested that one example of this was the "Socialist Wilsonian time-wasting farce" over whether Britain remained a member of the EEC.

Another example was the way in which the Conservative Party was now calling for substantial cuts in public expenditure—cuts the party would not consider if it were in office.

All this had contributed to a dangerous cynicism about politics, politicians and democracy itself, Lord Byers maintained. Although the present system was normally unfair to minority parties, it nevertheless led to nationalists being over-represented at Westminster.

If a more representative electoral system were to make coalitions and minority Governments more likely, this would not be a disaster. West Germany, Denmark and the Netherlands, over the past decade, had come to grips with such a situation and had still made democracy work. Parties must think in terms of less legislation and should be prepared to regroup for a period and to agree on limited aims, said Lord Byers. The country needed ten years of strong, broadly-based government.

LORD BYERS

"Nationalists could hold balance of power."

Lord Campbell of Croy, from the Opposition front bench, said the Conservatives shared the aim that Parliament should help to create the most favourable conditions in which British business and industry could thrive.

But the Liberal party was not disinterested on the question of electoral reform, because any change in the system would give them more seats in the Commons.

Lord Campbell pointed out that the Tories had proposed that a Speakers' Conference should examine the electoral system. The disadvantages of the various modes of proportional representation should not be overlooked.

All the systems would be likely to lead to a permanent state of minority government or coalition.

Cabinets would be formed only after post-election pacts had been negotiated by the party leaders—sometimes over a long period—and this would lead to compromise on principles.

Lord Campbell pointed out that in Holland there had been an interval of six months between an election and the formation of a government. Britain had not faced this kind of problem, and it was not desirable that the country should be left for long without Ministers who had a mandate from the people.

Individuals felt increasingly oppressed by bureaucracy and over-government, and Parliamentary procedure and the timetable had become overburdened. This was one reason, Lord Campbell said, for wide support in Scotland for a Scottish Assembly. The additional burden on Parliament had included examination of directives and regulations from the EEC.

"I hope we will not relax from the task of adapting and rationalising our system, and making government less oppressive in the eyes of the public," he said.

Lord Shinwell (Lab.) said it was wrong to claim that Britain's decline resulted from our faulty electoral system. It was because ever since the beginning of this century, our Governments had been shambls.

"We will not solve our problems in the foreseeable future as a result of the existence of single-party Governments." A combination and collaboration of parties was needed to win public confidence.

"I support whole-heartedly Lord Byers's proposition that some form of electoral system which represents true democracy is essential."

Wilson promises Press inquiry evidence

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE PRIME MINISTER confirmed yesterday that he intends to submit his evidence to the Royal Commission on the Press before it makes its final report.

His pledge, given in a written Commons reply to Mr. Peter Blaker, Conservative MP for Blackpool South, follows the tabling of an early day motion signed by more than 40 Tories demanding that Mr. Wilson should substantiate or withdraw statements made about the Press.

In particular, the motion refers to a statement made by Mr. Wilson on September 20, 1974, that "cohorts of distinguished journalists have been combing obscure parts of the country with a mandate to find anything, true or fabricated to use against the Labour party."

For months, Conservative MPs have been pressing the Prime Minister to honour his promise to substantiate the accusation, which was made at the start of the last election campaign.

The motion, tabled by Mr. Blaker, claims that Mr. Wilson, having used a variety of pretexts to escape his responsibilities had refused to identify the legal proceedings he was using as an excuse for failing to submit his evidence to the Royal Commission.

Fees increase prompts schools' policy row

THE GOVERNMENT was urged in the Commons yesterday to ensure that there would be places available at local authority schools in Edinburgh when the Mary Erskine School and other schools run by the Merchant Company increased their fees.

The call came from Lord James Douglas-Hamilton (C., Edinburgh W) who said that since December, 135 applications had been made by parents in Edinburgh to withdraw children from grant-aided schools, with a further 105 inquiries, making a total of 240.

He wanted to be sure that parents who could not keep their children at these schools would be allowed places at local authority schools.

Mr. Frank McElhone, Scottish Under Secretary, said that his own figures showed a fall-out of 201 pupils over 21 months, an average of 10 a month. This was hardly a dramatic fall-out.

Of course, education would be provided for pupils who needed it. If the situation became very severe at the Mary Erskine School, the Government would reconsider the situation.

Mr. Teddy Taylor, Opposition spokesman, said the Government's policy was a hollow shell. It had created serious hardship for parents with limited resources because of the increase in fees. "It is creating a shambles of education in Edinburgh, which has been condemned by the Socialist Convenor of the Lothian region."

Mr. McElhone disagreed. He added that to pay £3m. for the Mary Erskine School would ensure the future of the other Merchant Company grant-aided schools which was not the policy of the Government.

Tory MPs cheered when Mr. Alick Buchanan-Smith, "shadow" Scottish Secretary, said: "Your answer is disgraceful. What you are saying is that your only policy is not in the interests of the parents nor the children themselves but only to spite the Merchant Company of Edinburgh."

Mr. McElhone replied: "We get rather fed up with seeing the mechanical jack-in-the-boxes on your side jumping up and down on this particular school. I would have hoped the machine would have been switched off."

Shop hours Bill lost by 8 votes

A BILL to allow small shopkeepers to open and close at times which best suited their customers, failed by eight votes in the Commons yesterday.

MPs rejected by 159-151 an attempt by Sir John Langford-Holt (C. Shrewsbury) to amend what he described as the "muddle and anomolies" of the present law.

Mr. Tom Torney (Lab. Bradford S.), a member of USDAW, the shopworkers' union, said Sir John's Bill "would add still greater confusion to the already confusing Shops Act."

LABOUR NEWS

Fibre-glass safety row halts building of power station

BY DAVID CHURCHILL, LABOUR STAFF

UNION FEARS over safety have halted building of an oil-fired power station at the Isle of Grain, Kent. The dispute, which has led to over 2,100 workers refusing to work, is over dismissal of 13 General and Municipal Workers' Union members who claimed protective clothing when handling new fibre-glass material.

The union says experiments in the U.S. on the material have suggested a possible link with cancer, and that because of this it had negotiated an agreement with the site contractor, Cate Darlington Newalls, that overalls should be worn.

The contractor yesterday denied that the material was dangerous to health or that it had agreed to provide overalls. It stated that the material in question, used to lag the 3,300-megawatt power plant, contained mineral wool and asbestos-free calcium silicate, and that the Factory Inspectorate had confirmed that there was no statutory requirement to provide overalls for workers handling these materials.

It added that a national agreement between the Thermal Insulation Contractors' Association and the unions did not specify providing overalls. It feared that to provide them for the Grain power station workers would "create a precedent" and also contravene the Government's pay policy, since the workers had already had the full £6 pay rise.

The 13 workers were dismissed for "refusing to work normally," said the contractor, claiming that the men broke a procedural agreement to continue working while negotiations took place. The contractor also said that the workers were offered reinstatement if they would work while the dispute was discussed.

The 2,100 other workers at the site refused to cross the picket-lines this week after the dispute was given official backing by the GMWU.

Union officials plan a meeting with the contractors and the Central Electricity Generating Board in London to-day to resolve the dispute.

An official of the CEGB, which is not directly concerned in the dispute, visited the site yesterday to confirm whether non-toxic and non-asbestos materials were being used.

Warning of action over dock closures

BY OUR LABOUR CORRESPONDENT

A WARNING of possible militancy by dockers has been sounded over the Port of London Authority's plans to close the West India and Millwall docks and transfer work downriver to the Royal docks.

It followed a meeting of representatives of London dockers, lightermen, tally clerks and other port workers, who decided to take "all resolute action necessary to prevent this retrograde policy being implemented."

No industrial action has been called, nor could it be before a mass meeting of the port's 10,000 dock workers is convened. Judging from the poor turnout earlier this week at a meeting of the 3,500 dockers whose jobs will be affected by the move, feelings among the dockers are not running particularly high at the moment.

Mr. Bill Lindley, secretary of the Transport and General Workers Union's waterways section, said yesterday that the dockworkers do not want to strike over the issue — but they would if necessary.

"We have reached the stage where enough is enough," said Mr. Lindley, referring to the continued rundown of London docks. Already about 1,000 men are sent home each day for lack of work.

The PLA, which maintains that no jobs will be lost as a result of the closures as the cargo handling work will still be in the port, is to have further talks with the docks unions next week.

British Gas to hold talks next week on staff pay

BY OUR LABOUR CORRESPONDENT

BRITISH GAS corporation officials are to meet leaders of their white-collar workers next week in a bid to resolve a pay dispute which led to a token strike by 7,000 staff yesterday.

There were no reports of any gas supplies being affected by the strike, which was centred on the North West and the East Midlands.

The staff's action is part of a continuing programme of token stoppages imposed in support of 267 members of the National and Local Government Officers Association suspended for carrying out official Nalgo sanctions.

Nalgo members are refusing to implement a pay structuring scheme for the industry's manual workers, because they have been unable to agree on the terms of a parallel scheme for 50,000 British Gas staff.

British Gas has offered its staff increases of between £4 and £7 a week under their restructuring proposals, although both sides realise that any agreement could not be implemented until Government pay policy allows.

Nalgo, which was claiming £14 a week increases all round, has now halved its claim to £7, but refuses to accept less.

Yesterday Nalgo's strike committee reviewed the situation and decided to intensify the dispute slightly by calling out 12 computer staff employed by North-East Gas. This should prevent bills being processed in the NEGas area.

Nalgo's gas committee will review the situation to-day and the union's emergency committee, set up specifically to handle this dispute, meets on Friday to decide whether any further escalation is needed at this stage.

Civil Service unions ask to see Mason over jobs

BY OUR LABOUR STAFF

CIVIL SERVICE union leaders are seeking a meeting with Mr. Roy Mason, Defence Secretary, and other Government Ministers to protest at the lack of consultation over planned redundancies as part of the defence review.

This was decided yesterday at a meeting of the staff side of the Ministry of Defence, and follows the announcement that 2,500 jobs would be lost as a result of plans to shut four ordnance depots. The unions also fear that further cuts in the Civil Service will be announced by the Government next week as part of its expenditure cuts.

Mr. Bill Wright, assistant general secretary at the Institution of Professional Civil Servants, said yesterday that the whole of the Whitley Council system with the Ministry of Defence was "put in jeopardy" by the lack of consultation over the redundancies. He also claimed that the Ministry of Defence had broken a procedural agreement under which the unions should have been consulted.

An official of the Civil and Public Services Association, Mr. Robert Matthews, also expressed concern at the "manner in which the redundancies were announced." He said that MoD staff levels could be reduced without the need for redundancies if the unions were consulted.

Meanwhile, local officials of the Transport and General Workers' Union at the threatened ordnance depot at Chilwell, Notts., are considering ways of preventing the depot's closure.

More flexible pub hours demand

SOME public houses would be able to stay open from 10 a.m. until midnight under a Bill to come before the House of Commons soon.

The Bill, sponsored by Mr. Kenneth Clarke, Conservative MP for Rushcliffe, would also allow children to go into "approved" parts of pubs with their parents until 8 p.m.

"It is not a drinkers' charter," said Mr. Clarke. "The Bill aims at small and sensible changes in the law."

It would allow licensees to apply for additional opening hours. This would mean flexible hours rather than public houses staying open longer," said Mr. Clarke.

Justices would have "an unfettered discretion" to refuse applications, and police could apply at any time to revoke an order.

Full £6 rise at Foster Menswear

FOSTER MENSWEAR, the Birmingham outfitter employing about 2,000 in over 500 shops throughout Britain, has negotiated the full £6 rise for workers represented by the Union of Shop, Distributive and Allied Workers.

The settlement, effective from March 29, gives the rise to all shop management staff and all other retail staff over 20.

Minimum rates for full-time adult sales assistants are £38.50, with £40.50 for display staff and £35 for temporary unskilled assistants.

A consultative committee, representing the union and the company, has been set up.

Insolvency protection plan starts April 20

By Our Labour Correspondent

PROTECTION for workers whose employers become involvent will be introduced from April 20, when further sections of the Employment Protection Act come into force.

From that date an employee who loses his job when his employer becomes insolvent will be able to claim through the Redundancy Payments Fund arrears of wages, holiday pay and certain other payments owed to him.

According to the Department of Employment, thousands of workers each year suffer financial loss as the result of employers' insolvency and the total loss probably runs into several million of pounds a year.

Debts covered include pay arrears of up to £80 a week for up to eight weeks; holiday pay up to £80 a week for a maximum of six weeks; pay in lieu of notice: any payments outstanding from compensation by an industrial tribunal and reimbursement of apprentice's or articled clerk's fees.

No qualifying period is necessary before an employee becomes eligible and applications for repayment under these provisions should be made to the receiver, liquidator or trustee representing the insolvent employer, although all payments will have to be authorised by Mr. Michael Foot, Employment Secretary.

Other provisions of the Employment Protection Act coming into force from March 8 will oblige employers to give the Government advance notification of redundancies and arrange advance consultation with the trade unons affected.

McGahey calls for Labour Party unity

A PLEA to trade unionists to stay united within the official Labour Party and not join the breakaway Scottish Labour Party, came yesterday from Mr. Mick McGahey, Communist vice-president of the National Union of Mineworkers.

A fragmental Labour movement could not win the battle for Socialism, he said adding, that Labour dithering on devolution had played a significant part in the rise of the SLP and the Scottish National Party, but the trade union movement would resist any attempt to tamper with its affiliation to the U.K. Labour Party.

Writing in the Scottish Miner, Mr. McGahey commented: "The major fight which has to be won is to unite the whole Labour movement around policies for Left advance.

"We should be demanding that Labour Governments and MPs abide by conference decisions and work to carry them out. How does the new SLP envisage a fragmented Labour movement winning that battle?"

ACAS council appointment

By Our Labour Staff

MRS. DOROTHY Wedderburn has been appointed a member of the Advisory Conciliation and Arbitration Service's council to replace Professor John Wood, who was recently made chairman of the Central Arbitration Committee.

Mrs. Wedderburn is director of the industrial sociology unit at Imperial College, London, and is a member of the Royal Commission on the Distribution of Income and Wealth.

Premium 'unfair to women'

By Our Labour Staff

THE REGIONAL employment premium scheme is unfairly discriminating against women workers, claims the Equal Opportunities Commission in a letter to Mr. Denis Healey, Chancellor of the Exchequer. Miss Betty Lockwood, the commission's chairman, said yesterday that the lower rates for women employees was an incentive for employers to recruit male workers.

The commission wants the Chancellor to bring the rate for women up to the same level for men as soon as possible.

118 jobs go at Eden pit

THE NATIONAL Coal Board is to reduce the workforce at Eden Colliery, the only remaining pit in NW Durham, by 118. The 100-year-old Harvey seam is to close.

The remaining 180 men will continue to mine coking coal from the Busty seam, whose life is also understood to be limited.

More than 60 of the older men at the pit are likely to be made redundant. The rest of the 118 will be offered jobs at other Durham pits.

Foundry men laid off

ONE HUNDRED workers at the Sinclair works of Glynwed Foundries at Ketley, Shropshire, start a three-day week next Monday. Short-time working is being introduced in the mechanical plant and is described by works officials as a temporary setback.

Works convener Mr. Nigel Harris says it will be about a month before they can start to build up again.

ACCOUNTANCY APPOINTMENTS

Group Finance Director
Thomas Tilling Limited

Thomas Tilling Limited intends to appoint a successor to the present Financial Director who is to retire later this year.

The Financial Director, as a member of the senior management team, advises on financial, economic and investment policy and, working closely with the Board, contributes creatively and practically to decision making for the efficient operation and further development of this successful Group. The appointment is one of the most demanding and stimulating in British business today.

Candidates should preferably be Accountants with experience at a comparable level, including international finance, and must be effective communicators, possess energy and drive, and be forward-looking and imaginative. It is unlikely that anyone under 40 or earning less than £15,000 will match the requirements. In addition to internal candidates the company wishes to consider outside applications.

Appointment to the Board is envisaged after 12 months.

Please write, in strict confidence, to us as the Group's advisers on this appointment, giving brief details of age, education, qualifications, and career and salary progression, quoting reference 512/B, to:

A. J. M. Nevile,
Deloitte, Robson, Morrow & Co.,
34 Farringdon Street, London, EC4P 4DL.

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For further information and application form, please apply, giving age and brief details of qualifications and experience to:—

Appointments Officer
Room E301

Ministry of Overseas Development

Eland House
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For further details, please apply in writing to Box A.5433, Financial Times, 10, Cannon Street, EC4P 4BY, giving details of qualifications and experience.

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group financial accountant

EDINBURGH c. £7,500 + Car

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Scottish & Newcastle Breweries Ltd

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Candidates should be qualified accountants, or graduates who have developed a flair for financial analysis, and should have at least five years business experience, some of which has been in manufacturing industry. Particular attributes required are high-level analytical skills, drive, sound business judgement and the ability to influence, and communicate with, line management. For most positions supervisory experience in the finance function is essential.

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Graham Hay, Personnel Planning Manager, Leyland Cars, Leyland Coventry House, Station Square, Coventry CV1 2FT. Telephone Coventry (0203) 70101

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The Executive Selection Division – MF562.

Coopers & Lybrand Associates Ltd., Management Consultants. Shelley House, Noble Street, London, EC2V 7DQ

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(Personnel Services Ref: PF32/5535/FT)

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For the redemption of the balance, viz Fr.Frs. 3,933,000.- a draw by lot has been effected in the presence of Monsieur Féricien Jansen, notary public.

The following bonds will be redeemable, at par, coupons at 1st March 1977 and subsequent attached, as from the 1st March 1976, date at which they will cease to bear interest.

69600 to 69619, 69676, 69744 to 69786, 69865 to 69895, 70133 to 70140, 70157 to 70163, 70170 to 70199, 70204 to 70205, 70238 to 70265, 71442 to 71458, 71489 to 71498, 71526, 71537 to 71539, 71573, 71592 to 71594, 71642 to 71727, 71764 to 71766, 71772, 71809 to 71823, 71826 to 71835, 71854, 71869 to 71877, 71882 to 71883, 71886 to 71887, 71940, 72005 to 72012, 72020 to 72038, 72049, 72051 to 72052, 72058 to 72059, 72091 to 72095, 72100 to 72101, 72106 to 72107, 72109 to 72116, 72127 to 72131, 72133, 72193 to 72209, 72213 to 72214, 72251 to 72301, 72306 to 72397, 72406 to 72415, 72457 to 72485, 72489 to 72517, 72531 to 72532, 72539 to 72546, 72549 to 72551, 72571 to 72572, 72574 to 72577, 72581 to 72591, 72598 to 72670, 72681 to 72692, 72694 to 72696, 72713 to 72714, 72732 to 72752, 72903 to 72952, 73026 to 73033, 73041 to 73121, 73126 to 73128, 73130 to 73340, 73342 to 73343, 73348 to 73357, 73359 to 73420, 73430 to 73454, 73464 to 73554, 73557 to 73629, 74336 to 74344, 74346 to 7445[illegible], 74453 to 74608, 74618 to 74639, 74644 to 74652, 74656 to 74657, 74672 to 74677, 74680 to 74689, 74700 to 74710, 74761 to 74803, 74828 to 74832, 74843 to 74846, 74852 to 75005, 75013 to 75043, 75047 to 75415, 75417 to 75422, 75424 to 75524, 75556 to 75563, 75570 to 75601, 75604 to 75632, 75638 to 75668, 75671 to 75673, 75682 to 75720, 75722 to 75749, 75755 to 75792, 75818 to 75850, 75852 to 75916, 75933 to 75935, 75941 to 75972, 75974 to 75991, 75995 to 76009, 76013 to 76032, 76039 to 76054, 76069 to 76076, 76117 to 76156, 76232 to 76341, 76396 to 76400, 76404 to 76429, 76433 to 76436, 76457 to 76460, 76472 to 76576, 76578, 76632 to 76710, 76715 to 76731, 76737 to 76802, 76813 to 76832, 76866 to 76873, 76877 to 76886, 76891 to 76926, 76928 to 76986, 76990 [illegible] 77942.

Redemption will take place at the following banks: CREDIT LYONNAIS [illegible] BANQUE NATIONALE DE PARIS [illegible] SOCIETE GENERALE [illegible] CREDIT COMMERCIAL DE FRANCE [illegible] LAZARD FRERES [illegible] DRESDNER BANK A.G. [illegible] SOCIETE GENERALE DE BANQUE [illegible] BANQUE BRUXELLES LAMBERT [illegible] BANCA COMMERCIALE ITALIANA [illegible] AMSTERDAM-ROTTERDAM BANK N.V., Amsterdam.

The following Bonds, drawn previously, have not yet been submitted for repayment: [illegible] 39867. 41023 to 41027.

AMOUNT REMAINING IN CIRCULATION AFTER THE 1st March 1976: Fr.Frs. [illegible]

The Fiscal Agent,
CREDIT LYONNAIS—Luxembourg.
Luxembourg.
February 3, 1976.

LEGAL NOTICES

No. 00[illegible] of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of [illegible] DEVELOPMENT COMPANY LIMITED and in the Matter of The Companies Act, 1948. [illegible]

No. 00[illegible] of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of VALERIE DALOR LIMITED and in the Matter of The Companies Act, 1948. [illegible]

HERBERT OPPENHEIMER NATHAN AND VANDYK, [illegible] London, EC2R [illegible] Solicitors for the Petitioner. [illegible]

No. 00[illegible] of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the matter of [illegible] FREEMANTLE METALS LIMITED and in the matter of The Companies Act, 1948. [illegible]

ALEXANDERS, [illegible] Temple Avenue, London, EC4Y 0EN. Solicitors for the Petitioner. [illegible]

CONTRACTS AND TENDERS

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RESIDENTIAL PROPERTY

WHITE PAPER ON CIVIL AVIATION POLICY

Airlines to swap long-haul routes

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A major exchange of long-haul routes between British Airways and British Caledonian Airways—and cancellation of Laker Airways' low-fare Skytrain licence on the North Atlantic—are among decisions in the Government's long-awaited White Paper on Civil Aviation Policy, issued yesterday.

Broadly, the decisions are aimed at consolidating the plan announced last summer by Mr. Peter Shore, Secretary for Trade, to end "dual designation"—that is, competition—between two British flag airlines on the same long-haul route, and to create instead a separate "sphere of interest" for each.

It has now been decided that East Africa and the Seychelles will be part of the British Airway (BA) sphere of interest, while Central Africa, including Zambia, will go to British Caledonian Airways (BCAL).

In South America, BCAL will take over from BA the responsibility for services to Venezuela (Caracas), Colombia (Bogota) and Peru (Lima), and may extend its flights to Ecuador (Quito). Together with its existing routes to eastern South America, this will give BCAL virtually the whole of South America as part of its sphere of interest.

Savings

BCAL will end its "exempt charter" flights to Singapore, and will give up all its "double designation" licences on the North Atlantic, with the exception of its rights to fly to Atlanta and Houston, where—once services start—it will become the only U.K. airline operating to those destinations.

This means, however, that BCAL will not be able to return to the New York and Los Angeles (via Chicago) operations that it discontinued in autumn 1974, and will lose its rights to Boston and Toronto.

The White Paper says that the exchange of routes in Africa should enable both airlines to achieve considerable cost savings through deploying their resources more effectively.

"BA will be able to increase substantially their revenue from the route to East Africa and the Seychelles from which BCAL's earnings on passenger services were about £3½m. in 1974-75.

"Similarly, BCAL will be able to secure a significantly higher share of the London-Central Africa market, from which BA earned nearly £3m. in 1974-75.

"Outside Africa, BA will benefit from the ending of BCAL's exempt charter services to Singapore (which earned revenue of nearly £1m. in 1974-1975, though their frequently has since been reduced) and, more importantly, from the withdrawal of BCAL's 'double designation' licences.

Capacity

"BA will now be able to plan the development of their services on these major routes free from the apprehension that BCAL might in due course wish to exercise its licences, thus reducing BA's market share and probably obliging them to cut back their capacity under capacity-sharing agreements.

"The gain to BA cannot be precisely quantified, since much would have depended on future market conditions and competitive circumstances, but it will clearly be large.

"BCAL, for its part, will have scope for its future expansion through the addition to its existing network of the new routes to Atlanta and Houston, from which it estimates that it could be earning revenue of almost £10m. (in 1974-75 prices) by 1979-80: and, of the route to Venezuela, Colombia and Peru (which should in due course be capable of extension to Ecuador).

"BA earned revenue totalling £3.8m. from these three South American points in 1974-75."

Exceptions to the spheres of interest policy are made in the case of Concorde. BA's present plans are to introduce Concorde services on routes within its own sphere to New York, Washington, Melbourne (via Bahrain and Singapore) and Tokyo.

"The Government are confident that the necessary international understandings covering Concorde operations on all these routes will be obtained in due course.

"It is, however, desirable in the Secretary of State's view to leave open the possibility that a Concorde service might be introduced at some stage to one or more destinations in the BCAL sphere of interest.

"BCAL might itself provide such a service, by arrangement with BA. But the Government's decision to rule out double designation on long-haul routes would not, in itself, prevent BA from introducing such a service alongside BCAL's subsonic service.

"Before giving BA the necessary licence, however, the Civil Aviation Authority would have to satisfy itself that adequate arrangements were made to alleviate any adverse effects on BCAL."

The White Paper finally destroys Mr. Freddie Laker's plans to get a low-fare, no-reservations Skytrain service running between the U.K. and the U.S.

It is argued by the Government that in present foreseeable economic conditons, the damage done by such an operation to existing scheduled services would be unacceptable.

Losses

"At the very least, the U.S. Government would almost certainly insist that if Laker Airways' Skytrain services were introduced, a U.S. airline should be permitted to mount a competing service.

"HM Government estimate that BA would incur losses of about £8m. a year if the Laker Skytrain and one corresponding U.S. service were to be operated. Moreover, the net effect on the U.K. balance of payments would be likely to be minimal or even adverse.

"The Secretary of State has accordingly decided that Laker Airways' designation as a scheduled service operator under the U.K.-U.S. Air Services Agreement should be cancelled."

These major changes to Civil Aviation policy will be achieved without any new legislation or amendments to the Civil Aviation Act, 1971.

Instead, the Government will issue the Civil Aviation Authority with new "guidelines" under which it must work. The guidelines, if approved by Parliament, should remain "substantially unchanged for a considerable period of years."

This new guidance will include the ending of the principle of dual designation embodied in the existing guidelines under which the Civil Aviation Authority works.

The Authority will be told that it must not in future license more than one British airline for scheduled services on any long-haul route—with the possible exception of any eventual Concorde service.

The other significant change in the guidelines will be the ending of the preference given to BCAL under the existing guidance, first laid down by the Conservative Government. This provided BCAL in its early days with a chance to develop its route network, but the Government does not now consider it desirable that BCAL should continue to enjoy such treatment.

Instead, the aim will now be for the Civil Aviation Authority to give preference to BA and BCAL within their new "spheres of interest."

Only in "quite exceptional circumstances, if at all," will the Civil Aviation Authority give any other airline a licence to provide long-haul scheduled services within those spheres of interest.

Some significant exceptions are made where non-scheduled (charter) services are concerned, however.

The Authority will give BCAL preference on non-scheduled services throughout its sphere of interest, while BA will be given preference to build up non-scheduled services within those parts of Africa included in its own sphere of interest.

Outside that territory, however, it will still be open to other British airlines to bid for non-scheduled (charter) rights on other routes in competition with BA, especially for example on the North Atlantic route.

The reason for this is that BA's existing network is already larger than BCAL's, and to give BA preference on non-scheduled services throughout it could "restrict undesirably the opportunities available to other British airlines."

Double-designation on short-haul international routes is also largely ruled out under the new plans, although an exception is made for services to and from airports in the London area, so as to enable Gatwick to be built up.

This means that BCAL retains its existing short-haul network to Europe, and can expand it.

The White Paper says that the Government considers that "for certain short-haul flights Heathrow and Gatwick can be regarded as serving distinct catchment areas and that a choice of airport for such services can be of substantial benefit to the passenger.

"Accordingly, the CAA would, for example, be able to consider applications to provide services from Gatwick to short-haul destinations already served from Heathrow (or to provide services from Heathrow to destinations already served from Gatwick)."

But the new guidance would require the Authority, before granting such an application or allowing more than one airline to serve any domestic route, to satisfy itself that certain conditions, for example, as regards profitability, "are likely to be met."

The Government justifies its main decisions on the grounds that for the rest of this decade, as a result of economic recession and soaring fuel costs, the main markets served by the U.K. airlines will be expanding much more slowly than they were during the 1960s and early 1970s.

The difficulties incurred by BCAL in 1973-74 on the North Atlantic showed that it was already "highly questionable whether a policy of double designation—as laid down in the Edwards Report of 1969—could still be expected to enable British airlines to secure and retain a larger share of major intercontinental markets.

"More recent developments have weakened even further the case for double designation. There is now virtually no major long-haul route on which it would be possible to introduce a second British airline on terms which would leave any scope for the British share of the total earnings from the route to be increased."

On the North Atlantic, the collective losses by all the member-airlines of the International Air Transport Association totalled £160m. in 1973, and rose to £300m. in 1974, leading to major capacity reduction agreements last year between some of the major airlines involved, including BA.

"In the view of HM Government, it will be desirable to maintain capacity agreements along these lines for the foreseeable future.

"This must, however, mean that the introduction of a second British airline, on a route even to the U.S., could now only be achieved at the expense of BA, through an equivalent reduction in the capacity they operate."

Moreover, many countries are unwilling, for political or policy reasons, to allow more than one foreign carrier to compete with their national flag airline on a given route. "Others might be prepared to agree to dual designation by British airlines, but only in return for some major concession to their own airline industry.

"Under these circumstances, it would generally only be possible to establish or maintain services by a second B[illegible] airline by accepti[illegible] ing reduction in [illegible] the first. This w[illegible] to higher costs [illegible] ability for bot[illegible] there would be n[illegible] British share of [illegible]

Where BA [illegible] directly concern[illegible] tion between t[illegible] long-haul routes, [illegible] and Central Afr[illegible] chelles, and [illegible] charter" operat[illegible] "involves both [illegible] wasteful use of [illegible] outweighs any p[illegible] to the travelling [illegible]

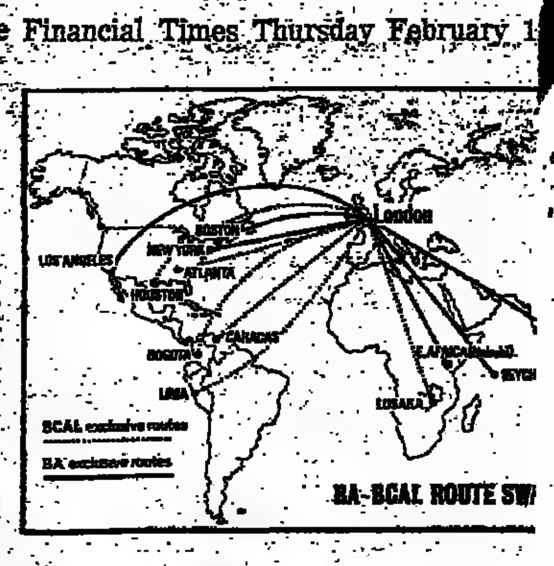
Services

The Governm[illegible] the re-arrangeme[illegible] to be undertaken [illegible] airlines, and wil[illegible] and stable basis [illegible] can plan for th[illegible] lopment, so stre[illegible] ability to compe[illegible] carriers in the [illegible] world aviation m[illegible]

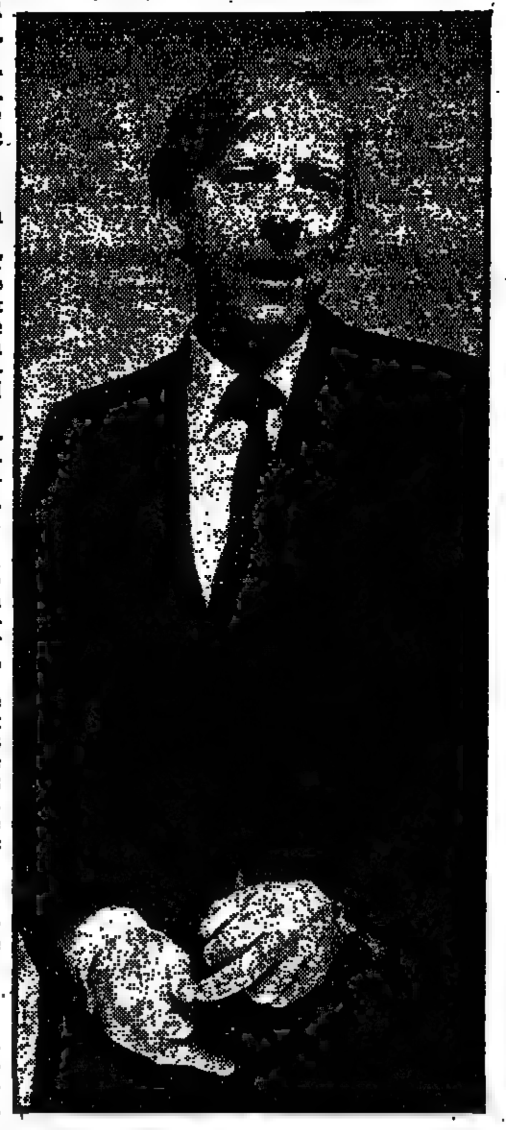
"Each will no[illegible] defined sphere [illegible] their long-haul [illegible] result, these se[illegible] future be comple[illegible] than competitive [illegible] will be open for [illegible] operation betwee[illegible] in all aspects of [illegible] from engineerin[illegible] nance to marketi[illegible]

"The two airli[illegible] that they should [illegible] discussions at sen[illegible] level to examin[illegible] means of strengt[illegible] ration between [illegible] mutual benefit. T[illegible] regard this as [illegible] development."

Future Civil [illegible] Command 6400, S[illegible]



BA-BCAL ROUTE SW[illegible]



Yesterday's pictures by Leonard Burt, Terry Kirk a[illegible]

Who flies where? Mr Peter Shore, Secretary for Trade (left), announces where Mr. Henry Marking's Br[illegible] (top right) and Mr. Adam Thomson's British Caledonian may fly.

> **"The U.S. would insist that if Laker's Skytrain were introduced, a U.S. airline should be permitted a competing service."**

Two fined £1,000 over betting coup

TWO MEN convicted of conspiring to defraud bookmakers by taking part in the Gay Future betting coup were each fined £1,000 at Preston Crown Court to-day.

They were also ordered to pay up to £500 each towards prosecution costs.

Anthony Kenneth Collins, 39, and William Anthony Murphy, 44, denied conspiring to defraud by betting on three horses when they knew only one would run.

The horse which did run—Gay Future—won at Cartmel, Cumbria, at 10-1 last August Bank Holiday, and it was alleged that the coup aimed at netting £300,000.

Collins was described by his counsel as a former member of the Stock Exchange.

Mr. Justice Caulfield told Collins that he had no doubt that he had great devotion to the Turf, and eventually might suffer at the hands of the Jockey Club. In his position it would probably be equivalent to being drummed out of the regiment.

The jury took 6 hours 17 minutes to reach majority verdicts of 10-2 after a seven-day trial.

Budget aid sought by appliance makers

BY LORNE BARLING, INDUSTRIAL STAFF

BRITISH domestic appliance manufacturers believe that unless the industry is given some substantial assistance in the Budget on April 6, the continuing slump in demand could have serious long-term effects.

Within the industry it was said yesterday that demand for appliances — mainly fridges, stoves and large domestic products—had collapsed in the latter part of November and had not recovered apart from a minor resurgance during the January sales.

It is felt that unless there is a significant concession on the current VAT rate of 25 per cent., perhaps a reduction to about 15 per cent., there will be widespread redundancies in the industry.

Already there have been many lay-offs and short-time working has been introduced in many factories. Hoover is to lay off 4,000 workers for two weeks at the end of the month and in early March.

The industry would like to see the introduction of a flat rate of VAT for all its products which would remain consistent for a long period of time, reducing the problems created by peaks and troughs of demand.

Most factories have been working recently at between 30 and 40 per cent. below capacity but, due to the difficulty in finding trained workers, redundancies have been generally avoided so far. Without any help from the Budget, most companies are likely to accept the inevitable and cut their workforces drastically.

It is believed that whatever measures are introduced, overall sales in the first half of this year will be between 5 and 10 per cent. below those during the second half of last year. Some improvement is expected during the second half.

Roads to help Welsh industry

PRIORITY FOR road schemes in Wales will be given to meeting industrial needs rather than improving holiday routes, the Welsh Office said yesterday.

Schemes costing £128m. include a motorway crossing of the River Neath to link the M4 Port Talbot and Morriston by-passes and a continuation of the M55 North Wales express way at a cost of £60m.

Inspectors appointed for Scotia

By Michael Lafferty, City Staff

THE AFFAIRS of Scotia Investments, the entertainments concern, are to be investigated by two Department of Trade inspectors.

The inspectors, Mr. Leonard John Bromley, QC, and Mr. John Selby Hillyer, a partner in chartered accountants Hill Vellacott, were appointed yesterday by Mr. Peter Shore, Trade Secretary.

Majority stake

Scotia's Stock Exchange quotation was suspended in November 1975 following disclosures of certain transactions between the company and Alco Metropolitan Properties.

Alco, a private company controlled by three of Scotia's directors, now has a majority stake in Scotia—which, among other interests, operates the Knightsbridge Sporting Club gaming concern in London's West End—and is bidding for the rest of its shares.

The three Scotia directors who control Alco are Mr. P. Frolich, Mr. A. T. Dembeniotis and Mr. C. F. Braun.

BOOKS

French Churchill

?. SNOW

The Life of Georges ...eau. by Edgar Holt. ... Hamilton. £8.50, 303

...ne who enjoys playing ...of historical parallels, ...taining to reflect on ... and Winston ... Clemenceau was the ...of the First World ... spokesman and ... war leader of the ...rtner in the alliance, ...entative of fighting ...carnate. obdurate, ... ready to fight on the ...f he could get a ... to fight with him. ...ere curiously similar. ...alance doesn't begin ...er. Their political ... some part of their ...t had a good deal in ...rchill, Clemenceau ...litical prominence as ...ountry would call a ...Left. Of the very ...eft, French politics ...wn oddity. He was ...obed Radical, pas... ...ti-collectivist and at ...he humanitarian. In ... would share many ...ith, say, Bernard ...he high French 19th ...mer he was a com... ...st, and an unusually ...one. At the end of ... War, his war, he ...end, or permit his ...to attend, a thanks... ...e in Notre Dame. ... adherence to prin... ... him harm.

...Churchill, he never ...base in politics. He ... to rely on, just his formidable and intransigent self. That was the situation throughout a very long life. He was on the whole distrusted and disliked. The Right believed that he was dangerous. The Left were certain that he was not one of them. Both sides were right. He hadn't even Churchill's reverence for tradition. He didn't think much of the aristocracy nor, as far as that goes, of anyone else. However, he had an absolute patriotism, a nationalism which was a kind of surrogate religion, an almost sensual love for the soil of France, his native Vendée, the language, anything which belonged to his beloved country — except, one is sometimes tempted to think, its people. Here, with allowance made for the softening effect of the English mists, the comparison becomes very close.

Both of them were savagely witty rather than humorous. Clemenceau was much the readier speaker, and owed his early success to his debating skill in Parliament. They both made themselves good journalists, and earned a lot of their living by writing. Both had unusual physical courage. Clemenceau achieved a legendary reputation as a pistol shot and swordsman, and fought many duels — in which, presumably because he wasn't trying, he inflicted exactly one wound. They were both as egocentric as men can reasonably be.

Maybe that all adds up to what is required of a war-leader in desperate circumstances. There were some differences between them. Clemenceau drank only water (which astonished everyone). He was a devoted lover of women, and had a string of talented and picturesque mistresses. In his eighties there was a final love-affair with a woman who was certainly adoring and who sounds eminently desirable.

He was a much better picker of men than Churchill, who would never have equipped himself with anyone as able as Mandel as his permanent number two. But Clemenceau, unlike Churchill, was an ungenerous cuss, and didn't give much in the way of praise. He had won the war, in his own opinion, single-handed, and was scathingly funny about his colleagues, including Lloyd George. Lloyd George, however, could return that compliment in kind, and the two of them together must have been one of the better dual acts of the twentieth century. Clemenceau was one of the few men whom Lloyd George in old age referred to with respect, often designated as the Old Monster.

He really was something of a monster. Yet, reading this spirited biography, written quite without affectation in admirably brisk English, one emerges with a kind of affection for him. Often it is affection as it were on the wrong side of the mouth, but it is impossible to suppress. When the official stuff has been duly stored away, and, maybe a generation ahead, biographies similar to this are written of Churchill, they will probably produce a similar effect. Extreme egocentricity has its own charm. Maybe we should all like to be as rock hard impregnable as Clemenceau, and as able to behave as though other people did not exist.

Sometimes he carried his lack of empathy rather far. His mistresses were never concealed, incumbent after incumbent entertained for him and went with him into society (the society which, a little later, the young Proust was to observe, including many of the same people: Clemenceau didn't have much money, and didn't trouble to make any, but as a spectacular politician he had the entrée anywhere). In her forties, his wife, neglected for years, got tired of this, and took a lover. Clemenceau was outraged. She had to agree to a divorce, on the understanding that he would have her deported immediately it came through. She was accordingly put on the first boat back to her native America. He didn't allow her a franc. How she supported herself thereafter was no concern of his.

It is not a pretty story, and there is a lot about Clemenceau which is not at all pretty. Nevertheless he looms out from this book like one of the massive wilful characters of fiction—more agreeable to read about than to have anywhere near, but slightly larger than life.

One final puzzle nags a little, from a book otherwise just and clear. Mr. Holt has written a number of works of the best kind of popular contemporary history. He has good critical judgment of 20th-century affairs. For some obscure reason, though, he has played down the part the U.K. played in the First World War. At times his book reads as though this were entirely a Franco-American concern. In fact, in material terms throughout, and after the French mutinies in 1917 very much in military terms, the British were decisively the senior partner (when the American troops fought in 1918, all their major weapons were British made). It is necessary to write of Clemenceau, of course, from a French viewpoint: but a gentle reminder of how Lloyd George, Hankey, and the other British bosses were in 1917-18 judging the French, the Americans, the war itself would not have come amiss.

Clemenceau (left), Woodrow Wilson and Lloyd George after signing the Treaty of Versailles

Fiction

Surviving

BY ISOBEL MURRAY

The Mandrake Root by Joy Cowley. Hodder and Stoughton. £3.50, 309 pages

A Dove of the East by Mark Helprin. Hamish Hamilton. £3.50, 180 pages

After her brother's death in a rather mysterious car crash Elizabeth Stilwell attempted suicide, and spent six months in a mental hospital. The opening of *The Mandrake Root* finds her reurning to her family in New Zealand, still unhappily conscious of her own emotional fragility — in fact conscious of two personalities, her own and that of the miserable stranger who has ruled her recent life. One of the most powerful aspects of the book is the portrayal of the relationships between Elizabeth and her dismayed, conventional family. The day-by-day painful details are totally convincing. There is her self-centred mother, and her clumsy father who secretly buys a prize painting of Elizabeth's under a false name, and then lets her find it, and sisters and sisters-in-law who perpetually hint about the skill of a certain plastic surgeon who could remove the scars on her wrists. Elizabeth has deeper scars than these. But she has to learn to live with the family, and to learn to leave them. This is a powerful book, and a convincing study of gradual recovery from complete emotional collapse.

There are some very good things in Mark Helprin's collection of stories, *A Dove of the East*. He is a most accomplished short story writer, and the 20 tales in this volume vary from just over two pages to almost 40. In each he has the classic and rare gift of the short-story-teller, crystallising a character or a life in a moment or an action, and his subject matter ranges widely and vividly. Visual descriptions, of nature or people, are a speciality, and some of my most vivid memories of the book include dying, blood-spattered, savaged cows in Jamaica, the defiant stance of a beautiful dancing girl in New Mexico, an American girl's first sight of the mountains, abandoned cabins in mountains south of San Francisco, or the Nevada mountains where a young couple threaten to go and fight to the death rather than let the husband be drafted into the army.

It is probably finally a matter merely of personal preference, but I am most impressed by the longer stories. The title story is about Israeli cattle-herders on Golan, especially one singular French Jew who kept apart, and lived alone or in the past. The incident when Orlovsky injures a dove on Golan and stays to tend it frames the memory of his marriage, his flight from the Nazis and his loss of his young wife. Essentially it is a compressed novel, gaining considerably from the compression.

"A Jew of Persia" is a different kind of tale, almost a folk myth. Yacov came from the highest Persian mountains to Israel, and great obstacles came between the generations, because his sons did not know Persian and he never learned sufficient Hebrew to begin to articulate his love of the old mountain life and his sawyer's trade. The basis of this story is two encounters Yacov has with the devil, one in youth and one in old age, and his brave and clever out-manoeuvring of that gentleman each time.

Crimes

BY WILLIAM WEAVER

Blood Relatives by Ed McBain. Hamish Hamilton. £3.50, 178 pages

With his many imitators, it must be hard for Ed McBain to avoid seeming to imitate himself. But he succeeds. Now that several other writers have established Precincts with a fixed set of characters (like McBain's 87th), we are given much less of the home life of Detectives Carella and Kling, and more straight detecting. As usual, the crime is horrible, and the solution is even more horrible; but you follow Carella towards the denouement step after step, hooked.

New Face in Hell by Roger Busby. Collins. £2.95, 192 pages.

This is a cops-chase-killer story. There may be an excessive amount of police background (à la McBain), but the pursuit itself is skilfully paced, and the finale is properly cathartic.

Legacy of Evil by Anna Clarke. Collins, £2.95, 192 pages

Poor Elsie Bullan is finally left a widow (never mind how), and her dreamed-of freedom opens out before her. She can learn to drive, take courses, paint, meet new people. Instead, she finds a more amusing and far nastier way of spending her idle days. She turns her suburban neighbourhood into a disaster area through subtle and convincingly easy stages. As in her previous books, Anna Clarke has created an original and arresting protagonist and a perfect mixture of dire evil and quotidian normalcy—and without an excessive or misplaced word.

...ostate emperor

...VINSBURY

...r Julian by Robert ... Weidenfeld and ...95, 256 pages

...a Emperor Julian, ...n as Julian the ...y lack either the ... or the charismatic ... general public of, ... hero and model, ...e Great. But, con... ...rief two-year tenure ...ower over the later ...re (361 A.D. to 363 ...ne and legend have ... exercise over the ...emarkable fascina... ...lars and dramatists

...rowning of London ...learly shares that ...nd has produced a ... on a man whose ...ll back the tide of ... Canute-like, and early pointless death at the age of 32 on the Persian frontier have already produced a mountainous literature, most of it however out of date, or like Gore Vidal's otherwise powerful novel *Julian*, a mixture of the historical and the fanciful. It is a model book because it can be read by scholar and lay reader alike, a vivid and sympathetic biography written by a man with a tight grip on his sources.

It is also part of that welcome revival of interests in, and reassessment of, the later Roman Empire that is breaking down that old and absurd division between "classical" and "modern" history that so stultified my own classical education, when only late fifth century Athens and the Rome of Cicero were deemed fit for youthful minds: the military dictatorships that followed both were thought to be too morally reprehensible for study at such an impressionable age. Consequently, teaching took place under a decayed Victorian tradition that did more to kill off classical studies as a respected and sought-after education than any other single factor.

Nowadays, fortunately, the attempts of the Roman emperors to grapple with problems of size, administration, military organisation, taxation, succession and division of power, local versus central authority, religious divisions, control of the army, and all the rest, have an overwhelmingly contemporary ring to them, and are being examined on their merits with the aid of both modern scholarship and modern awareness of economic and sociological factors.

Having been in turn a demon of the Medieval Christian Church, a Renaissance tragic hero, a man of reason to the eighteenth century and a romantic rebel to the last century, when he attracted the attention of authors as diverse as Alfred de Vigny, Ibsen and Anatole France (to name but a few), Julian has not so far become a hero or anti-hero of any sort to the twentieth century.

Professor Browning's book is therefore doubly welcome. For, as he points out, Julian,

"is still after 16 centuries a symbol that helps men to understand themselves. His obsession with communication, his consciousness of being an outsider with a mission to heal a sick society, the tragic and brutal finality of his unnecessary death, all make him potentially attractive to many in our age. American students have spontaneously compared him with President John Kennedy."

It is of course quite possible to take a less sympathetic view of Julian than does Professor Browning. His Persian campaign was ill-conceived and executed: his policy of limiting the growth of Christianity and restoring the powers of the local city authorities was, to say the least, anachronistic: and on those grounds it may be doubted whether he would, as Professor Browning believes, have been better able than his successors to cope with later crises, had he lived. But the fascination of Julian is precisely that his life is open to such varied interpretation. You may, if you wish, say that the literary cliché of every age has been made to fit him, including Professor Browning's contemporary cliché of equal opportunity for all forms of religion.

But the spell that the concept of the philosopher-king — and Julian was certainly a candidate for that title—has cast over so many minds and generations cannot be so easily dismissed, and it is a measure of the merit of this book that it fully lives up, not just to Julian himself, but to what men have made of him.

ECONOMIC INDICATORS

Unit	1976 Jan.	1975 Dec.	1975 Nov.	1975 Jan.	1974 Dec.
'000s	1,430.2	1,211.4	1,168.3	742.0	n.a.
'000s	88.8	103.1	125.7	n.a.	n.a.
$bn.	6.785	5.429	6.606	6.833	6.789
£bn.	14,488	13,731	14,079	n.a.	n.a.
1970=100	260.4	258.4	256.2	222.1	222.5
1970=100	204.9	201.5	198.3	173.0	167.6
	1975 Dec.	1975 Nov.	1975 Oct.	1974 Dec.	1974 Nov.
July '72=100	196.8	194.2	186.2	157.1	153.1
1970=100	79.7	81.2	81.5	76.2	76.4
Jan. '74=100	146.9	144.2	142.5	116.9	115.2
1970=100	186.4	180.8	177.8	158.9	159.8
£m.	2,320	2,289	2,261	2,330	2,313
	Nov.	Oct.	Sept.	Nov.	Oct.
1970=100	101.8	101.2	100.5	106.6	107.0
		1976 Jan.	1975 Dec.	1975 Jan.	1974 Dec.
'000s		98	115	125.6	137
'000s		27.3	33.2	34.4	40
	1975 Dec.	1975 Nov.	1975 Jan.-Dec.	1974 Dec.	1974 Jan.-Dec.
£bn.	1.966	1.924	1.832	1.745	1.727
£bn.	1.767	1.637	1.565	1.386	1.282
£bn.	−0.199	−0.287	−0.267	−0.286	−0.438
'000 tonnes	319	408	383	402	431
	Nov.	Oct.	Jan.-Nov.	Nov.	Jan.-Nov.
m. kgs.	49.12	55.11	46.93	43.11	50.71
'000s	221	250	211	256	257
'000s	364	423	382	346	428
'000s	27.0	29.0	25.6	24.3	22.4
millions	437	465	421	438	475.1
'000 tonnes	341	353	332	346	348.4
m. tonnes	6.88	7.06	6.61	8.52	7.55
1970=100	91	91	92.6	105	101.3
'000s	91.8	103.3	80.1	71.3	71.3
'000s	49.2	95.6	81.2	45.9	70
	Oct.	Sept.	Jan.-Oct.	Oct.	Jan.-Oct.
1970=100	150	150	153	137	135
'000 metric tonnes	2.65	1.72	2.3	2.32	2.27
1970=100	103	106	113.5	133	136.7
	Sept.	Aug.	Jan.-Sept.	Sept.	Jan.-Sept.
m kilos	9.5	7.0	9.1	9.0	10.2
	Aug.	July	Jan.-Aug.	Aug.	Jan.-Aug.
£m.	21.2	22.0	21.6	17.6	18.9
	4th qtr.	3rd qtr.	Year to date	4th qtr.	Year
1970 values	8,790g	8,314	33,645	9,057	35,741
	3rd qtr.	2nd qtr.	Year to date	3rd qtr.	Year
1972=100	151	145	144	126	119
£bn.	3.097g	2.920	8.661	2.673	7.625

...eliveries. ‡ Net sales. § Consumption. ** Seasonally ... manufacturing industries. ¶ Excluding car radios. ...K. made and imported sets. b From May, 1975. ...is of calculation refers to advances to U.K. public ...r. Historical figures on new basis not available. ...ding cooker griller toasters. e Value of output. ...n not seasonally adjusted. g First preliminary

Third World watershed

BY HUGH O'SHAUGHNESSY

The Poor of the Earth by John Cole. Macmillan. £7.95 (hardback), £2.95 (paperback), 144 pages.

It is a measure of the eminent good sense of the British people that those concerned with the issues of world development do not have such a struggle to establish their case as they did ten, or even five, years ago. Continually confronted by the media with images of how wretched life is for the majority of the world's population, people in this country, even in these comparatively lean times, accept that they have a duty to do what they can to palliate such wretchedness.

The amount of money raised voluntarily or through taxation for the underdeveloped world is very large. At the same time it is less and less acceptable in society to be known to be making money through association with governments which are known to be blocking the legitimate development of their populations. In the case of trading with the Rhodesian régime, indeed, it is not just inelegant, it is illegal. The problems of world development are the stuff of Women's Institute meetings and Sunday sermons.

John Cole's book comes as an extremely stimulating contribution to this debate. With a wealth of background material provided by the International Labour Organisation and investigations in Kenya, Sri Lanka and the Philippines he writes about the politics of development on a number of levels. The international diplomatic battle over the concept of the New International Economic Order is discussed in the context of the struggle between the rich and the poor countries. But at the same time Mr. Cole does not shirk the issue which all too many development agencies attempt to avoid, the gaps between the rich and poor within the Third World countries themselves.

While valuing his contribution—and all the more so because it is written in non-specialist language for the layman—I myself would part company from him on many of the first principles he accepts. I am in the position of our countryman who, on being asked the way to Macroom, replied, "If I were going to Macroom I wouldn't start from here."

Basing many of his arguments on the undoubted need for the Third World to expand its sources of employment and its production of food he fails, it seems to me, to give due weight to the most basic need of all: how to push through and maintain a redistribution of wealth which would provide the original and necessary dynamic demand from which all else flows.

Nor does he discuss the very close linkage between the powerful forces in the developed world, including many agencies which claim to be promoting Third World development, and those strata in the Third World most tenaciously opposed to any redistribution of wealth.

Mr. Cole has accepted all too easily moreover the glib statements of those who have an interest in representing the OPEC countries as the world's chief scapegoats. To say, as he does, that the OPEC countries "had taken the law into their own hands, with disastrous consequences for the world" is to swallow the tallest of Dr. Kissinger's tall stories. What "law"? And "disastrous," for whom?

At the same time the book contains many valuable insights, not least about the indefensible secretiveness of the Chinese about their agricultural experiences. A tendency to secretiveness appears to be the Muscovite characteristic that the Chinese are least able to consign to the past.

Hardy annuals

BY ROBIN LANE FOX

The Genius of Thomas Hardy edited by Margaret Drabble. Weidenfeld and Nicolson. £5.50. 192 pages.

Thomas Hardy by Timothy O'Sullivan. Macmillan. £6.50. 192 pages.

A hundred years ago, Hardy was living in the pretty Dorset village of Sturminster Newton and working on *Jude the Obscure*. Two new books on him do not mark any centenary. But when they remark that there are men alive who remember Hardy very well, they pull up this country-bound fan in his tracks. Of course Hardy only died in 1927. The world of rural and professional Wessex, the workings of fate and religion, the reflections of emotional moods in wild or lush landscapes; these themes seem ages away from any contemporaries.

The best of the brief essays edited by Margaret Drabble seem to me the cream of the two books. I like these collections, where one or two ideas suffice for a contribution and are memorable in their isolation. Nobody goes on too long, and those who tend to be provocative have time to live up to form without taking things too far. To A. L. Rowse, Hardy's social clumsiness in the face of class barriers speaks for his "latent masculinity": "if he had been at all homosexual, he would have been more flexible, more socially adaptable." The author makes you wonder.

David Cecil on Hardy's sense of history and Harold Orel, most interestingly, on Hardy's relationship with the theatre, keep the essays moving through less familiar literary ground: their discussions of *The Dynasts* come closer together, for this historical panorama is also dramatically imagined and its great horizons can well be compared with the range of the cinema. It is not an easy read, but these essays are a reminder that no appreciation of Hardy's work, still less of his outlook, can skirt past this strange study of genius and necessity, of the great Napoleons and Nelsons and the humbler men which the Wessex novels had given us in a different setting.

The Dynasts is an odd book, for the poetry in it is almost completely unreadable, even as blank verse. Yet Hardy's poems, as he himself intended, are the works in which he best recorded his "impressions, not his convictions." Geoffrey Grigson, who discusses the poems here, turns Hardy's own ideas about poetry on to the course of his poetic development. Those who still find the roughness and odd vocabulary too much for their taste should consider Hardy's remarks on the connection of poetry and architecture, in which he began his career. The "Gothic art principle in which he had been trained" informed his use of irregularities. That does not endear me to them, for poems are not bits of stone. But it shows how they were meant to work.

There is biographical speculation, too. It seems now to be highly likely that Hardy's first love was his cousin Tryphena Sparks, a liaison which he may possibly have believed to be incestuous and which may conceivably have led to a child: Lois Deacon tells here how she tracked this missing detail for 15 long years and now links it to female characters in the novels. A photograph of Tryffie shows the same brows "arched like two slurs in music" which were a mark of Fancy Day, heroine of *Under the Greenwood Tree*. Miss Deacon makes the most of her discovery, claiming it as "the lifelong inspiration of his novels." Hardy's biographer, Robert Gittings, has challenged her findings.

Less sensationally, I would like to put in a word here for the influence of Virgil, Hardy's lifelong companion. To my mind, Hardy is the last of the great Virgilians in literature. The sympathy between the landscape and the emotions of men, the theme of fate, tragic love and the ability to see life through the eyes of its humbler characters among man and nature: these, and much else, could be absorbed by a writer, who prized Virgil and the other classics as the education of a man who had failed to reach a university.

Timothy O'Sullivan's illustrated biography deals neatly with Tryphena in a paragraph and avoids the more literary sort of speculation. He has some rather nice photographs of places in the novels, or their real ancestors. Hardy's friends, travels and publications are worked into a readable narrative, and I think the book could be enjoyed by anyone who knows a few of the Hardy novels and wants an afternoon's interlude before enjoying any more. It makes one think. When Hardy was born, he was set aside by a doctor who considered him to be dead. A nurse rescued him, and she has yet to be exalted as the woman beheind his literary life.

Dakar disaster

BY ALLAN TODD

The Guns of Dakar by John Williams. Heinemann, £4.50, 201 pages

There can seldom in the history of war have been a more confused operation than the expedition to Dakar in September 1940. Having successfully attracted the equatorial African colonies to his side, General de Gaulle formulated the idea of taking over Dakar and the adjacent colony in a purely French enterprise, but this became merged in a larger Anglo-French venture. At that stage in the war, with the Battle of Britain rising to its height, and the invasion barges being assembled on the other side of the Channel, it looked like a splendid gesture of defiance and confidence, exactly the sort of thing to appeal to Churchill.

However, Operation Menace, as the expedition was officially named, became operation muddle from the start. When the expedition was about to sail, strongly adverse reports of two agents specially commissioned to investigate its feasibility were ignored. Lack of security reached farcical proportions, though the Dakar authorities were nevertheless taken completely by surprise. There was confusion over the command and at one stage an attempt to put de Gaulle under the orders of the British general and admiral. The ships were stowed in a manner quite unsuitable for an opposed landing, though possible opposition was envisaged. When it was seen that there would be opposition, the War Cabinet began to blow cold, but the expedition's leaders blew hot and did not give up until one of the two battleships was holed.

The object of the exercise was to keep the Germans out of Dakar, but the Vichy authorities were just as determined to do this as we were and the Germans played very little part in the affair at all. If anyone was not to blame for the failure of the expedition, it was Admiral North in Gibraltar, who, because of lack of any clear orders from the Admiralty, allowed Vichy warships out through the straits and was subsequently sacked. Whatever had happened, the expedition never had much chance of real success, and if it had succeeded, it might well have produced a strong German reaction and done more ultimate harm than good to the Allied cause.

On the other hand, the presence of the Anglo-French force frustrated an attempt of Vichy warships to regain control of equatorial Africa, so on balance it may have done more harm than good, and it certainly provided lessons for the future on how not to do it.

Mr. Williams has written a highly readable and balanced account of this affair and in the approved detective story writer's manner has on the very last page produced a twist in the tail.

A man of your position probably has first hand experien of the redistribution of wealth.

Are you taking fewer holidays abroad? Are you dining out less or spending less on cars? Are you finding that in small niggling areas you have less purchasing power than you had several years ago?

You're not alone.

Successive government policies either by accident or design are actually changing the distribution of wealth in Britain. And obviously the people who are suffering the most are those whose wealth is being redistributed. That doesn't mean a small isolated group of landed gentry, it means anyone whose income is above the norm.

REDISTRIBUTION OF WEALTH

Between 1972 and 1975 the retail price index increased by 56% or to put it another way, during those three years the purchasing power of the pound fell by 36%.*

And in spite of all efforts a high level of inflation is likely to continue for some time.

Inflation, contrary to popular belief, doesn't hit the man without money hardest. It penalises and impoverishes the wealthy. They have most to lose.

Even the 'anti-inflation' £6 per week pay limit is biased towards C1C2's. No increase is at present available to top income earners.

Add to this the successive increases in personal taxation, and it's easy to see which section of society is paying the price of social and economic equality.

WHAT CAN BE DONE?

In personal terms, this is something that we have to accept, whether we like it or not. There's not much, short of emigrating or dropping out, we can do about it.

But in business, particularly in production, marketing and advertising, there is something that can be done.

Quite simply, it is to recognise the changing shape of the market place and build and promote your product to suit it.

The main point to appreciate is that the classic 'rich' are no longer automatically the prime market for all 'AB' type products. Because today over two thirds (67%) of the top income households are now C1 C2 or D.**

THE POOR RICH OR THE RICH POOR?

The classic 'socio-economic group' method of market analysis has been stood on its head. Since 1972 the market of so called C1 C2 households earning over £3,500 has increased by a staggering 320%.***

This is an astonishing re-adjustment of income. Remember too that C1, C2's tend to have far less of their incomes committed to regular outgoings like mortgages and school fees, etc. Much of their new found wealth is earned to be spent almost immediately.

WHAT'S HAPPENED IN LONDON

And what has happened in the country

as a whole is equally true of London.

Remember that the London market accounts for nearly 30% of the total UK market.

The traditional method of market analysis reveals that the Evening News and the Evening Standard have a similar number of so called "wealthy" AB readers.

READERSHIP OF EVENING NEWS AND EVENING STANDARD
By Socio Economic Groups

	Evening News '000	Evening Standard '000
A	83	99
B	302	271
C_1	587	482
C_2	761	391
D	505	232
E	124	31

TGI 1975

Where the Evening Standard loses out is that it is relatively short on the new rich

—the prosperous C1C2's. The Ever News has 475,000 more of these reader:

Compare the change in consumptio AB's and C1C2's over the last three y and you will see why this group is so vit important.

TABLE INDICATING COMPETITIVE INCREASE IN LIVING STANDARDS

		AB '000	% increase	C_1C_2 '000	% increa
Brandy Drinkers	'72	1040		1927	
	'75	2546	145	8059	318
Colour T.V.	'72	374		668	
	'75	1393	274	4312	546
Unit trust holders who increased savings in the previous 12 months.	'72	191		206	
	'75	218	14	254	23
Holders of property insurance who took out policies £2000+ in the previous 12 months.	'72	41		57	
	'75	69	68	227	298

TGI 1972 and 1975

THE NEW GROWTH MARKET

It appears that more and more 'AB' products are being bought by C1C2's!

Here we have what must be a growth area for most luxury and up ma products. In spite of the current reces it offers a unique opportunity for the a manufacturer or marketing man to incr his sales.

Remember too, that these fig represent new spenders coming into market. This is where the long growth must lie.

In every single one of the following type areas the Evening News readers number the Evening Standard readers

TABLE INDICATING SPENDING POWER OF EVENING NEWS READERS COMPARED WIT EVENING STANDARD READERS

No. of readers who:	Evening News	Evening Standard	Differe
Have credit cards	408,000	364,000	44,000
Are golf players	175,000	92,000	83,000
Enjoy sailing	59,000	48,000	11,000
Ate out in a restaurant (Weekly-evening)	307,000	296,000	11,000
Take alcoholic drinks	2,283,000	1,469,000	814,000
Drink brandy	987,000	707,000	280,000
Drink liqueur	1,192,000	841,000	351,000
Drink whisky	1,255,000	847,000	408,000
Bought a car in last 12 months	441,000	228,000	213,000
Have colour T.V. in the home	740,000	516,000	224,000

TGI 1975

In truth, this analysis of what is hap ing with the country's wealth won't com a surprise to most observers.

It is a trend that has been apparent some time.

But now there is an opportunity to m this redistribution work for you, instea against. Ring Laurie Large on 01-353 6 for more details.

Sources:
*Central statistical office
**Mirror Group Newspapers Household Readership Income and Consumption Study 1975
***TGI 1972, 75

Evening News

Because the majority of top income earners are now C1 C2.

هكذا أصل الأصل

The Marketing Scene

:BOOK

...ebus tries again

...NY THORNCROFT

...time Lebus was prob... largest manufacturer of ... in the world. Then it ... marketing and by ... almost bankrupt. The ... men moved in from ... goods companies about ... ago, created a brand, ...nd attempted to sell it ...eads of the retail trade ... a massive advertising aimed at the public.

...vertising does not sell ... It reassures and ...out it usually needs a ... to convince the custo...ry. As a result of its ...us had to sell its enor...het-making operation in ...don and was left with a ...pholstery factory. Last ...ppointed a marketing ...gain—Ian Fraser from ... this year it is adver... ...ain—but in a very ...vay.

...s now an upholstery ...rer, third in size in a ... market which gives ...n 5 per cent. of total ... advertising is at a ...e modest level to the ...vertising of Europa ...wly appointed agency. ... Maidenhead office of ...owley, has just started a £50,000 campaign which promotes goods alongside the names of the local stockists. Now the trade is intimately involved in *promotional advertising which*, offers both customers (and retailers) discounts.

At the same time Lebus is attempting to widen its coverage away from the independents. Around 40 per cent. of upholstery sales go through the multiples, but they take only 15 per cent. of Lebus' turnover. Key account salesmen, on the lines of the grocery trade, will be recruited to negotiate with these major customers who can offer manufacturers enormous orders—at low profits. The third wing of the Lebus sales effort is mail order, which accounts for a profitable 20 per cent. of sales.

As well as a clearly defined, three pronged, marketing approach Fraser has also introduced a team of travelling repair men *who offer servicing* in an area which requires more after-sales service than it is usually given. The repair men reassure both the retailers and the customers. In addition Lebus has cut out its sales force (which once numbered 60 men) replacing them with 15 regional managers who are encouraged to exercise considerable independence within their regions, thus reducing head office personnel.

Finally Lebus is developing a more commercial approach to *new products. Traditionally in* the furniture trade a constant procession of new styles was needed to encourage retailers to re-stock. These were displayed at trade fairs—like the one currently happening in London—and the ranges that the buyers did not purchase were quietly dropped. This was costly. Now Lebus is concentrating on the more likely brands, reflecting the constant up-grading by the mass market in its furniture buying. Basically the AB styles of one year become acceptable to CI's the next.

This is still a traditional market, with three-quarters of sales confined to the three piece suites. But at least sales are not actually declining. Lebus has just announced a profit, and as the cash reserves build up again the company hopes to open new factories, each specialising in separate sectors of the market—expensive leather upholstery, mass runs for the multiples, units for those daring enough to get away from the three piece. It might not be as exciting as in the mid-sixties but the cautious approach is much less dangerous.

...onals year

... was another good one ...gional evening news... ... least in comparison ... rest of the Press. ...venings have moved ... place, with 8.9 per ... total display advertis... 3 to third place with ...nt. This represents ... per cent. increase on ...

... the regional evenings ...ood chance of over... ...ality dailies, whose ...gain to 10.8 per cent. ...lies lead the field with ...nt. Popular Sundays ...rth place, but, with ...nt., showed a slight ... increase. General ...magazines replaced ...onthlies in fifth place.

...rds trade

... are important in the ... industry. Winning ...ves morale; reassures ... and gets the success... ...s noticed by potential ... So it is not surpris...me leading TV com...king companies, along ...ve staff in agencies, have got together to stage the London Television Advertising Awards of 1976 on March 18 at Grosvenor House Hotel.

Broadcast, the magazine, used to organise a similar function but its last effort in 1974 attracted the gremlins and in 1975 the state of the industry was too sombre for anyone to spend money on such an evening. The London Television Advertising Awards promises to be a much more workmanlike affair and the jury, which chooses the winning commercials includes names like Barry Day of McCann's; Peter Bostock of JWT; Dennis Auton of Young and Rubicam; John Salmon of CDP, and Len Weinreich of Wasey's.

Sugar source

THE still fairly new agency of Beverley Fowler Maslin Oxade and Starkey has been given its most ambitious development project. Taires Development, part of its client Tate and Lyle, has entrusted it with developing a range of products derived from sugar. The products could have both domestic and industrial applications.

The first product is a surfactant which has wide potential uses in detergents, cosmetics, textiles, foods, plastics and more. It could also have great possibilities in the developing world. It will be some time before a product is branded, let alone marketed.

● DUNLOPILLO is to advertise *its continental quilts on television* for the first time this month on Southern and Trident TV. The campaign is to re-establish the position of a leading brand against the inroads of the direct response marketing of quilts, which last year took half the 1m. sales.

● THE TELEVISION audience in January divided its viewing in the ratio of 56 to BBC and 44 to ITV, according to BBC estimates. The most popular programme was "The Morecambe and Wise Show" watched by just under 20m. The Jictar share of audience figures, which is based on sets switched on, divides the viewing as 53 per cent. for ITV, 40 per cent. for BBC-1 and 6 per cent. for BBC-2. A Sunday film on ITV, "The Italian Job" was the most switched on programme, watched in 8.8m. homes.

Nine of the top ten advertised brands in 1975 were retailers

Shops top big spenders

BY DON BECKETT, THE MEDIA BUSINESS

ONCE upon a time the British Bureau of Television Advertising (then flourishing and active) periodically produced a table of the country's top advertisers, in terms of their combined annual *Press and television expenditure*. It sometimes took a year or more before the figures were published, but the fascination we all derive from studying league tables and Top Twenty charts was hardly dimmed by the age of the data when it was finally published.

When the BBTA last published its Top Advertisers' report (relating to 1971) Unilever stood in first place, almost justifying the high level of volume discounts that Lintas managed to negotiate from media owners on its behalf. But even in 1971 there were signs that Unilever's pre-eminence was under challenge. Not only were Unilever companies cutting their advertising levels, but several of its rivals for the number one position, such as Cadbury-Schweppes, Imperial and Beechams were increasing their spending.

With the BBTA no longer able to provide the information, we have long been starved of an up-to-date review of advertising's league tables. Without this information all three members of advertising's triumvirate must be feeling deprived. Advertisers, especially the largest, would like to see their company's contribution to advertising officially recorded and recognised, if only to justify volume discounts and their status around the ISBA table.

Media owners would also like to know where deference is properly due, and to what degree. Agencies, hungry for their 15 per cent. (or more) of the advertising media cake, find it a great benefit to have all advertisers (that is, potential clients) conveniently listed in order of likely billings.

Will advertising's current chart-toppers and potential chart-busters continue to see their achievements go unrecognised? Fortunately not, because MEAL has just produced a fascinating trio of reports relating to advertising expenditure in 1975, listing every brand which spent £100,000 or more in (a) Press and TV combined, (b) Press only, (c) TV only.

Taking careful note that the reports record and rank the expenditure of brands not advertisers, the table shows 1975's Top Ten in each category. A quick look will show you that Retailers dominated two of the three categories. It was only in the TV Table that "brands" (as we know them) made any kind of showing, with five entries in the Top Ten. The total TV/Press table was topped for the first, and we hope the last, time by the COI's Energy Crisis campaign. Following 1975's No. 1, the next nine places are all occupied by retailers.

In the Press table top advertiser was Co-op Local Branches and after several more retailers two cigarette brands forced their way in at 7 and 8. In the TV table the COI Energy Crisis again took the No. 1 position and the all-singing, all-dancing Woolworths national campaign held a clear lead over the only "brands" (K Tel Records and Kelloggs Corn Flakes) to reach the top half of any table.

If you do rush out to purchase *a set of MEAL reports, in order* to compile your own league tables, remember the following cautionary observations: 1. The MEAL figures relate to Press and TV only, and therefore expenditure in other media (posters, radio, cinema) is not included. 2. The figures are based on card rate expenditures, not actual expenditures. 3. There is no commonly accepted definition of what a "brand" is for the purposes of recording advertising expenditure.

There are, of course, other interesting facts lurking among MEAL's volumes, and every advertising buff will find his own. For me one of the more surprising facts was that in 1975 not only were there more than 30 brands spending over £1 million, but that the Top Ten averaged well over £2 million.

I must leave for someone else the task of culling through all MEAL's 334 pages of individual brand data, in order to compile the equivalent of BBTA's old Top Advertiser list. Otherwise we may never really know whether Unilever is still Britain's biggest advertiser. As that company does not have one single brand in the 1975 Top Twenty (its first is Drive detergent at No. 30) it seems quite likely that it has had to concede the number one spot to the Government.

1975's TOP TEN ADVERTISING BRANDS

Number	TV and Press combined	£m.	Press only	£m.	TV only	£m.
1	COI Energy Crisis	3.56	Co-op Local Branches	2.39	COI Energy Crisis	2.36
2	Boots	3.33	Boots	2.12	Woolworth's National	1.83
3	Co-op Local Branches	3.03	C and A Press	1.82	K Tel Records	1.41
4	Woolworth's National	2.17	Co-op National	1.44	Kellogg's Corn Flakes	1.35
5	Brentford Nylons	2.12	Currys	1.42	Brentford Nylons	1.30
6	Co-op National	1.97	COI Energy Crisis	1.20	Allied Carpets	1.26
7	C and A Press	1.82	B and H Special Filter	1.19	Boots	1.22
8	Fine Fare	1.75	Player's No. 6 Filter	1.18	Guinness Bottled	1.12
9	Allied Carpets	1.73	M.F.I.	1.07	The Sun	1.09
10	Currys	1.49	Dixons Hi-fi/Photo	1.06	Oxo Red Cubes	1.07

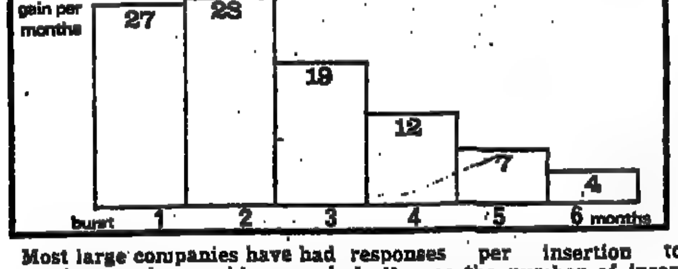
Source: MEAL

Advertisers waste money on intensive campaigns, argues Callaghan Oherlihy.

More profit from small drips

MANY companies select their media on the grounds that it gives their advertising "impact." And many of these companies are quite happy not to see this impact reflected in their sales, replying to criticisms with "Our advertising works slowly over a long period: if we didn't advertise for a year, *then* we'd see the difference!"

These beliefs look rather silly but they are doggedly clung to because there does not seem to be any alternative. Belief in methods of measuring the sales directly generated by advertising tends to be at a low ebb because too many claims have been made by practitioners who could not deliver usable results.



Most large companies have had a look at the problem and received long documents from their OR departments on the subject. The best of these have provided reliable bases for forecasting market demand, together with the influence of various inputs in broad terms—but, as managements have discovered, they are quite unhelpful in the crucial field of selecting the most profitable budget for the brand.

Over the past three years sales effects of advertising have been measured by this company for clients in eight frequent-purchase consumer markets and the following laws seem to hold.

LAW I: ADVERTISING GENERATES IMMEDIATE BUT TEMPORARY SALES GAINS

Consumers respond immediately but this is not always seen in sales figures, partly because other contrary effects may also be occurring and partly because only part of the effect occurs in any one sales period. Typically gains from a burst reach a peak at the end, and then die away over a period of a few months. (For Press, the effect is slightly longer than TV, reflecting the different time schedule of impacts on consumers—though the total gain may be similar). Thus for a major toiletry product field we found the sales life to be as in the chart. In the period of the burst 27 per cent. of the sales gained by advertising occurred, and 73 per cent. had been gained within three months.

In a variety of other markets, including food and beverages, very *similar*, though not identical, results have been found. In one very dynamic market, with a high growth rate, management had a theory that advertising caused a permanent uplift in market volume but research showed that this was not so and that the normal decay curve applied.

LAW II: THE RATE OF SALES GAIN INCREASES MORE SLOWLY THAN THE ADVERTISING WEIGHT PER BURST

This means that with each additional rating point—a rating point measures 186,000 household impacts, and 100 TV rating points called TVRs currently cost about £24,000, which is big money!—the sales gain is lower than that obtained from the preceding rating point, so diminishing returns occur, gradually-accelerating until saturation is reached and additional weight has no effect on sales.

Mail order companies are familiar with the tendency for responses per insertion to decline as the number of insertions is increased. This saturation tendency has been measured in several repeat purchase markets, with high degrees of statistical reliability.

Obviously the first rating points of a burst generate a response from the most sensitive consumers, whose behaviour is changed; the succeeding rating points act to change the behaviour of those with a lower propensity to buy the brand and thus are less efficient; and so on up to saturation. Some people's behaviour will not be changed with any amount of exposure to the advertising.

LAW III: ADVERTISING SALES EFFECTIVENESS DECLINES WITH BURST PROXIMITY

Saturation is affected by another factor—the timing of bursts. Increased frequency accelerates saturation. In a typical recent investigation it was found that saturation operated at around 400 TVRs in a schedule with a burst every second month. In another, heavily advertised market, the following pattern of response was found.

Sales Index	
Burst weight of 400 TVRs per 4 weeks:	
One burst every 5 months	100
One burst every 3 months	96
One burst every 2 months	87
One burst every 1 month (i.e. continuous)	65

Thus continuous advertising at this weight caused a wastage factor of 35 per cent. compared to infrequent bursts. Whether such wastage is profitable is another matter, which is the subject of subsequent volume and cost calculations. In many markets the sales gains from advertising are not of such a high order that wastage on this scale is acceptable in normal circumstances.

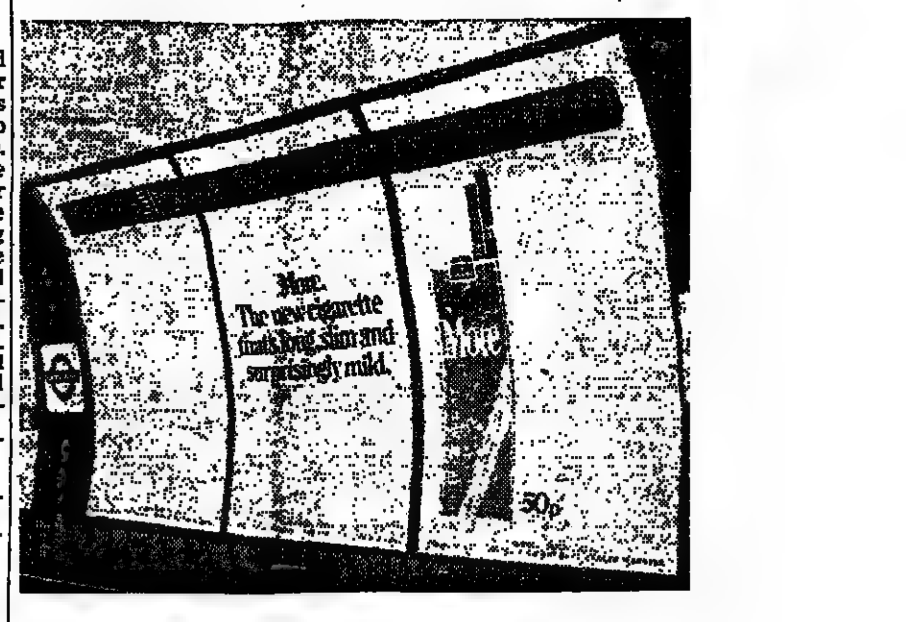
The mechanism underlying this law can easily be stated. An initial burst converts those consumers with a high propensity to buy the brand. However, if another burst follows quickly many of them are still users and so sales must be gained from those with a lower propensity—exactly the same kind of process as applies within the burst as described in Law II but over a longer time scale revealing the operation of the decay process.

So far, the laws have been described in general terms as applicable to market categories, and although much useful data can be extracted at this level, the actual construction of a maximum-profit budget for a brand must be based on precise details about the way in which that particular brand responds to advertising. Every brand has its own unique response relationships and these will also vary by region, between Press and TV, peak and off-peak, and creative strategy and execution.

* *Among Callaghan O'herlihy's clients are Brooke-Bond Oxo, Dornay Foods, and Bowater-Scott.*

Tube gets more

BY ANTONY THORNCROFT



NEXT WEEK sees the official start of one of the most intensive campaigns using the advertising space on London's buses and Underground stations. It is for More cigarettes, the new long (120mm) cigarette from J. R. Reynolds, which is being backed by around £700,000 of advertising money. A sizeable slice of the sum is going to London Transport Advertising, and is an encouragingly quick response to its efforts to revive this sector of the advertising industry.

Last year LTA attracted around £3.5m. in advertising, an amount which has risen rather slowly over the years. But in 1976 it is adopting a brand new approach, starting on the Underground. Like the outdoor poster industry most of the best sites in the Underground—those facing the entrances — were permanently occupied by certain big advertisers, in particular the tobacco and beer advertisers. Now LTA has cancelled all the old contracts and is parcelling out sites in a quite different manner.

Again like outdoor posters, it is concentrating on packages, offering advertisers 150 mixed sites which are guaranteed a certain audience. These can be bought by the month at £8.80 per site. The sites contain a mixture of the premium stations, like Oxford Circus, the inner, such as Euston, and the outer, the likes of Ongar. However, it is still possible to buy a year's contract with the chance of renewal, and also individual sites, especially the best locations, at a premium price of £15.40 a month.

The More campaign is unusual in concentrating on 48 sheet posters—three times the size of the conventional 16 sheet. Lamb's Navy Rum was the first advertiser to book a limited 48 sheet campaign on the Underground, before Christmas, but More is taking a greater number of sites (although, ironically, the agency, Wasey Campbell Ewald, reckons it can create greater impact by keeping the three consecutive separate 16 sheet sites). Another innovation is the siting of the advertising tube cards for More in smoking compartments only. In addition the cigarette is being advertised along the side of buses.

The grater flexibility of the LTA is already attracting new advertisers. Birds Eye, for one, has taken all the space on 270 buses, an unprecedented step, and seems pleased with the impact. Other advertisers are competing to take all the display space at the new Heathrow station. LTA has still to lure packaged goods companies down the Underground, with its mainly male, and slightly up market audience, but it is talking to many companies about 48 sheet sites and expects to announce more innovations next month, including its own advertising campaign to publicise its attractions.

Grilling for meat

AGB Research has gained a two-year contract from the Meat and Livestock Commission to measure consumer purchases of meat and poultry. This is the first time that this £3,400m. business has been subject to continuous research. The TCA panel of 4,300 housewives will, in future, keep a weekly diary of their meat purchases.

The research is part of the revitalisation of the meat trade following the formation of the Meat Promotion Executive last May with an annual advertising budget of over £1½m. The research will enable the agency involved, Davidson Pearce, to make more scientific judgments on when and how to promote, and what types of meat and poultry.

A pilot test last year showed that housewives, on average, bought meat two or three times a week. The data will be available to members of the U.K. meat trade at special cheap rates, and will show them what the shopper bought, when, and where. The first report will appear before the end of April.

THE FINANCIAL TIMES

(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)

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THURSDAY, FEBRUARY 12, 1976

The function of the NEB

THE RESPONSIBILITY for the public row between Lord Ryder and Sir Kenneth Keith over the control of Rolls-Royce (1971) rests entirely with the Government. It was the Government which decided many months ago that the State shareholding in the company should be transferred to the National Enterprise Board, but no thought appears to have been given to how the relationship between the three parties — the management, the NEB and the Government itself — would be handled. There was certain to be resistance from the Board of what is, after all, one of the country's major companies; neither the executive nor the non-executive directors would relish the thought of becoming divisional managers of the NEB. Moreover, because so many of the company's key decisions—the development of new engines, co-operation with foreign companies, negotiations with customers like China and the Soviet Union—directly involve the Government, the presence of the NEB as intermediary was bound to be awkward.

Conglomerate

No doubt it would be possible for the Government to work out some operating rules and impose them; the directors of Rolls-Royce could then decide whether or not they could live with the new arrangements. But since the Government has not yet done so, it is worth considering whether the principle of transferring ownership to the NEB is correct. Quite apart from the special relationship with the Government, it is not at all clear that a company as large and complex as Rolls-Royce can easily become a division of an even larger conglomerate.

If the NEB is to control it as tightly as Lord Ryder seems to want, he will need to have his own experts to appraise and monitor the company's development programme. But unless the Government intends to hand over the country's aero engine policy to the NEB, the Department of Industry will still need its own experts in the same field. What purpose will this duplication serve? Presumably the Government wants the company to be run commercially and profitably. In that case there is a lot to be said for giving it as much commercial independence as the nature of its business allows.

Many of the same arguments apply to British Leyland. What is the point of giving the company a powerful Board of directors, including able and experienced outsiders, if the crucial decisions have to be passed to the NEB for approval? British Leyland is too big to be treated as a division or subsidiary.

At the heart of the matter lies a confusion over the role of the National Enterprise Board itself. Some of its sponsors have seen it as the British equivalent of IRI in Italy, a giant holding company with tentacles stretching into all the "strategic" sectors of the economy. Others, probably a majority, see its main function as finding situations where "the market is not working properly," injecting new management and finance into companies which need them, and stimulating investment in laggard industries. It is unlikely that the same body can perform both jobs effectively. The responsibility for companies like British Leyland and Rolls-Royce is so enormous that it will swamp the rest of the NEB's activities.

Decision

The only respectable argument for the transfer is that in the past the Department of Industry has not been good at managing industrial investments. But the right approach might be to strengthen the Department's own monitoring arrangements, rather than to hand over responsibility to a body which has a different purpose. In the end, though, the Government has to decide what it wants and do it; to allow the present quarrel to continue will not only make the participants look even more ridiculous, but will cause unnecessary damage to both Rolls-Royce and the NEB.

A new psychological exercise

THE VIEW one takes of the Price Check scheme, due to begin next Monday, must be based on an assessment of its psychological effect—on the way, that is, it is likely to affect consumer expectations about the future course of inflation and the amount of pay restraint acceptable when the next phase begins in the summer. The list of goods published yesterday, on which it is hoped that price increases will be voluntarily limited to 5 per cent. over the next six months, is an oddly assorted one, though it includes many household essentials. It will be supplemented by the voluntary action of retailers dealing in fresh foods, the prices of which cannot be foreseen or controlled for obvious seasonal reasons, in keeping down their margins on a number of products over the life of the scheme.

Assuming full co-operation, which has been recommended to members by bodies like the Confederation of British Industry and the Retail Consortium, a sizeable range of average consumer expenditure will be affected. The accompanying publicity, if well managed, may indeed help to bring it home to people that the rate of inflation is being significantly reduced. The Government is, in effect, seeking to show that for a wide range of goods the aim of bringing the inflation rate down below 10 per cent. by the end of the year has already been achieved.

Listed goods

To what extent this is being done at the expense of manufacturing and retailing profit margins can only be guessed at. It is noticeable that only the letter post and domestic gas are included in the list, and that the drive to get the nationalised industries back on to a commercial footing has not therefore been seriously jeopardised. It is to be hoped that in the case of the private sector, too, many of the goods listed are those whose prices were expected to remain fairly stable in any case: Mrs. Williams appeared to hint as much in saying that the scheme had become possible because universal observance of the voluntary pay limit had made it practicable for manufacturers to estimate their costs in advance.

She herself, like the Chancellor, has publicly acknowledged before now that profit margins must be allowed to rise if the growth of unemployment is to be halted and new capital investment encouraged. The White Paper entitled "The Attack on Inflation" specifically stated that "the Government do not intend to push price control to the point where it would endanger employment and investment," while the latest report of the Price Commission showed that in the third quarter of last year the margins of both manufacturers and distributors had fallen to very low levels. Although some firms still had some difficulty in keeping margins below reference levels, the majority had been forced to drop very far below them.

Profit margins

The size of this fall was due, of course, more to lower demand and increased competition than to the operation of the Price Code. To this extent, the new Price Check scheme may help to bring down inflationary expectations without having much deleterious effect on the profitability of the firms taking part in it. But some decision about the future of the Price Code will have to be taken soon—the Commission and the Code are due to go out of existence at the end of July, though they can be kept alive for a further year by Order—presumably as part of the wider discussions with the TUC about the future of wage restraint. Even if it is decided to keep the Commission and the Code in existence for ritualistic reasons, businessmen should be given a tacit assurance as soon as possible that when demand recovers profitability will not be held back by such artificial impediments. There is a lot of ground to be made up before industry regains the confidence to invest in the future.

Anthony Robinson, in Rome, looks at the outcome of the 33rd Italian government crisis since the War and assesses the part the Communist Party might have to play in any long-term solution.

Italy's crisis of credibility

Left: Sig. Aldo Moro arrives at the Chigi Palace in Rome for a meeting leaders following his agreement to form a new Christian Democrat minority go end Italy's five-week political crisis. At the same time Rome students (right) a rally in support of their demands, echoed by many Italians, for sharper soci

SIG. ALDO MORO, Italy's Prime Minister, has ended a five-week Government crisis, by agreeing to form a Christian Democrat minority Government. But it promises to be even weaker than its predecessor at a time when the economic situation demands a strong Government with the moral authority to call for the sacrifices, linked to reforms, which most intelligent Italians know to be necessary.

This is not to belittle the patience and tenacity with which Sig. Moro has conducted the negotiations for a new Government. Without his skill, Italy probably would not have one at all, but be facing instead the prospect of a three-month political interregnum and early general elections. Sig. Moro and Sig. Benigno Zaccagnini, the Party Secretary, have managed to persuade their party to accept the responsibility of Government even though it faces a lonely and unpopular task. A Government in being is urgently needed to negotiate new foreign loan contracts, manage the economy and the important national labour contracts, and allow the Socialist and Christian Democrat parties to hold their respective party congresses within the next few weeks.

Tenuous hopes

There are somewhat tenuous hopes that these party congresses might clarify the political situation, possibly by forging a closer relationship between the Christian Democrats and the Socialists which would allow the formation of a more strongly-based government in which the Socialist Party (PSI) obtained that privileged position it has been demanding since the Left-wing parties' victory in the June 15 regional elections. But few Italians believe that the country's problems can be solved by yet another Government re-shuffle between the same men and the same parties who have governed Italy for the last 12 years of Centre-Left governments, and in some cases for the whole period of post-war Christian Democrat control. For this past month has cruelly underlined the fact that Italy is not merely going through a government crisis but a crisis of the credibility of the political class which has ruled Italy for the last 30 years.

It is a class which, many Italians believe, has run out of the moral authority and capacity to govern. This is an impression which has been strengthened not only by the slow-motion ritual of the crisis itself, the 33rd since the war, but by a flow of documentary evidence from across the Atlantic linking Italian Ministers and officials with collusion with the CIA and large-scale bribery.

The latest scandal involves alleged payments by Lockheed to two former defence Ministers and an Air Force General, while other allegations link CIA payments to the Italian secret service with the bombings and extremist violence which have affected Italy for the last seven years. As a result, Italians have been left with the disagreeable impression that their country has been turned into little more than a banana Republic to say nothing of the grave economic circumstances symbolised by the devaluation of the lira.

It looks as though Italy is now experiencing the confusion which characterises the change-over from one epoch to another. But the drama of the situation is that internal and, above all, external conditions are not yet ready for an alternative power structure to arise.

The most obvious candidate for the succession is the Italian Communist Party (PCI). But at this stage it is not prepared to take over the responsibility of power. In the first place, much of the PCI's strength lies, oddly, in the fact that it has been in opposition for 30 years. Thanks to this, it is not associated with the errors of past governments and it is very reluctant to risk its reputation by entering into a Government in the middle of a severe crisis not of its making.

The second factor is that the Party made massive gains in the local and regional elections of June 15. Many of its best men were drafted into the task of running major problem cities such as Turin and Naples. It now wants to consolidate its hold at a local level, meanwhile accelerating its training programme to produce the sort of skilled administrators, economists, and so on, which it will need if and when it becomes part of a government in Rome.

Up to June 15, the Communists' reputation for efficiency depended largely on the fact that their opposition role enabled them to dedicate most of their attention to organising and running the Party itself. And the Party is indeed a very impressive organisation. But the accumulated problems facing Italy are now so acute that the PCI knows that it alone does not have the resources to tackle them.

This is one of the reasons why the Party is stubbornly sticking to its proposals for a "historic compromise" between Catholics, Socialists and Communists as the only way out of Italy's political impasse. But the other reason for the compromise is that the PCI still fears the possible international implications, does not want Italy to develop into a new Chile, and is hoping that international opinion — principally that of the U.S. government and West Germany—will eventually swing round to its view that the Communist Party in Italy is too big to be ignored and that, without its contribution, Italy's problems are insoluble. The alternative pictures painted by the PCI are, on the one hand, a permanently weak divided Italy, or, on the other, a well-governed, stable country which, the Communists say, would be unwilling to upset the great power balance by pulling out of NATO and would be convinced of the need for Italy's integration within the European Community.

Determined opposition

These are the basic reasons why the Communist Party was the principal support behind the last Christian Democrat-Republican coalition led by Sig. Moro. To borrow a phrase of Lenin's, the PCI has supported the government as the noose supports a hanged man. All along, the Communist Party has been the most determined opponent, first of, the government crisis and secondly, of attempts to solve the crisis by dissolving Parliament and calling early general elections. That is why the PCI was so angry with the Socialist Party for provoking the current crisis. The PCI wanted the government to struggle on while the PCI itself consolidated its hold locally and meanwhile carried out a major organisational effort so as to be fully prepared to enter a government after the elections in 1977 if conditions were ripe.

This timetable has been rudely interrupted by the crisis. What the Communists most fear now is early general elections—in which they would almost certainly gain substantially—without prior agreement on some form of historic compromise, with the Party insufficiently prepared to govern and still under international anathema.

Failing some form of prior agreement with the Christian Democrats, the Party fears a possible election result giving a Parliamentary majority to a coalition of Communists, Socialists and other left-wing groups. Under these circumstances the PCI would be under strong pressure to form a left-wing Government which pushed the Christian Democrat Party into opposition. It would then find itself with the principal responsibility for governing a country with 1.2m. unemployed, $14bn. of external debt, an elephantine, corrupt and inefficient public administration, and a legacy of accumulated, unsolved problems left behind by 30 years of uninterrupted Christian Democrat hegemony.

Democratic manner

The question is would the Communist Party be prepared or able to live up to its theoretical declarations of democracy under such emergency conditions? Many Italians, including the Christian Democrat party secretary, believe that the Communist Party would sincerely like to behave in a democratic manner and work through the democratic institutions in the context of a pluralistic political society. But Sig. Zaccagnini is typical of many Italians who accept the good intentions of the PCI but who believe that under the pressure of events the party would be forced back into its primitive authoritarian mould; unable to resist pressure from Moscow and forced to sacrifice both the present leaders and the democratic line they espouse.

Many Communists themselves are the first to admit there is no historical precedent for a Communist party's coming to power through free elections and preserving what one can call "bourgeois liberties" once it got there. The popular front government of Salvador Allende in Chile is probably the closest example of the attempt to do so and nobody has brooded more deeply on the lessons of that tragic experience than the PCI.

But Italy is not Chile. It is an industrialised Western European country, with an extraordinarily rich historical, cultural and religious background. It is a member of Nato and the Common Market. On the basis of the June 15 election results the Italian Left has the support of 47 per cent. of the electorate. The Communist Party itself has 33.5 per cent. of the total vote, almost three times more than the 12 per cent. of the Socialist Party. To its left, the PCI has a number of groups, such as the PDUP-Manifesto party, Lotta Continua, Vanguardia Operaia and others, whose aim of pushing the PCI in a classic revolutionary direction is not shared by more than 2 or 3 per cent. of the electorate. On the other hand, a highly effective radical party and feminist and other radical groups have emerged over the last few years to push hard in the direction of greater civil rights. They reflect the emergence of a new kind of civic consciousness in Italy to which the Communist Party has shown itself sensitive, even though its willingness to compromise with Catholic opinion over the abortion issue has been strongly criticised.

When discussing the different nature of the Italian "via al comunismo" it is important to remember that the so-called "bourgeois liberties" in Italy were acquired with the fall of fascism, and Communists played a key role in the resistance and partisan war which contributed to fascism's downfall. These liberties are now enshrined in the Italian constitution. But the PCI, which was a member of the first national liberation government, played an important role in the constituent assembly which drafted this constitution. Since then the Communist Party has always done everything possible to appear as one of the principal upholders of the constitution which it helped to write.

This reflects the fact that for 30 years the PCI has been part of the Italian system. At a central Government level, its role has been that of the principal opposition. But over the years the number of Communist mayors, town councillors, trade union and other officials has steadily increased. As a result of the June 15 elections, Communists and Socialists together control five out of 20 regions and virtually all Italy's major cities. If administrative elec-

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MEN AND MATTERS

Hopes for a National profit

Ladbroke Group yesterday lined up its final sponsor for the televised races during the three-day Grand National meeting at Aintree in April. The food group Weetabix joins News of the World, Littlewoods, and others, and is to put up £8,000 to boost the kitty for the four races to be televised on the Friday, bringing the total prize-money for the meeting to more than £100,000.

That doubles last year's total and should, Ladbroke hopes, produce suitably higher standards in the quality of the racing. But even better from the Ladbroke point of view is the prospect that it will at least break even on its first year as organiser of the Grand National meeting—and privately those concerned hope to make a small profit.

The cost to Ladbroke of staging this year's race is likely to be getting on for £300,000 when everything is taken into account. The major part of this —£200,000—goes to Bill Davies and his Walton Group who own the course, but in addition Ladbrokes is spending an ever-increasing "five-figure sum" on improvements to amenities.

The biggest single chunk of income to balance this expenditure will come from the BBC for TV rights on 11 of the 18 races over the three days including, of course, live coverage of the Grand National itself.

But Ladbrokes is also pinning its hopes on a big attendance. Last year, when Bill Davies was responsible for the race he doubled the cost of getting into the course, and the result was a low attendance. This year Ladbrokes has halved prices across the board, and is hoping for 25,000 punters or more: roughly two and a-half times the number that turned up last year.

"As long as it doesn't become an eternal triangle."

To achieve this Ladbrokes has devised all sorts of package deals in addition to straightforward entrance fees (which range from £10 for the county stand to £1 for the steeplechase enclosure). For example coaches into the western and central enclosures are charged a flat fee of £100 irrespective of the number of passengers.

Canny

If marketing isn't on the syllabus of Scotland's Gordonstoun School already, there seems little reason why headmaster John Kempe shouldn't eventually have a go at teaching it himself—as long as a tour of the Middle East he has planned is successful. For Kempe is off to try to drum up business for three-week summer holiday courses combining English study with mountain adventure training.

Yesterday, the school announced it wanted to attract 180 teenagers, mostly from Arab oil States. The fee will be £500 a head, representing a 250 per cent premium a week on the £1,800 basic fee for Gordonstoun's 460 full-timers. A useful addition, though, to the estimated £30m. total of foreign exchange now flowing in each year from teaching the English language.

Reaching for the stars

A week or so in Cannes in the hectic whirl of a record and music industry annual shindig might seem an unusual way for a couple of City insurance brokers to go about winning business. Roger Eckersley and Willie Robertson would agree, but point out that by taking space at the 10th Midem get-together they were cultivating a neglected field in which only their firm has made much impact.

Eckersley Hicks makes a speciality of producing insurance policies for pop groups and individual modern musicians (they would gladly quote for the longer-established likes of Vera Lynn, but haven't been asked).

Eckersley and Nicholas Hicks set up their firm in 1962, Robertson joining three years later. In 1970, he was the one responsible for the move into pop, having followed the fortunes of two old school friends who had gone on to the management side of that industry. Most insurance people were extremely wary of insuring many of the patently erratic individuals who, often, became overnight stars and big earners.

Robertson, now 31 and personally interested in the music and friendly with some of the performers, says that the industry itself was also very slow at recognising the benefits of sensible insurance. His company concentrated first on three basic sorts of cover: for the often very expensive sound equipment; the public and employer liability of concert promoters; and stars' own policies covering life assurance and possessions.

Eckersley Hicks has on its books some 25 groups (including Led Zeppelin and Emerson, Lake and Palmer) and 60 performers (Elton John is among the individual artists). Robertson says that when it comes to instruments, most of "the bigger groups look after their equipment like a mother looks after her baby." But what about The Who, notorious for on-stage destruction? "Their policy," admits Robertson, "excludes intentional breakage."

A new scheme has been added recently to compensate recording, publishing or management groups in the case of a performer's accidental death or permanent injury. But underwriters, who include Lloyd's, remain a trifle cautious about the business and sums assured are limited to £1m. for an individual and £3m. for a group.

Not stupid

Acronyms are ever popular as witnessed by the formation of a new organisation, the British Association of Inventors—or BRAIN. However, when the CEGB proposed that an impartial scientific observer should sit on one of its nuclear safety panels with the title of "distinguished independent member" the offer was accepted only on the basis that the title was never abbreviated to initials.

Observer

ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

A Budget to fortify the pay policy

...NTROLS have usually ... of up to a year ... appear to have ... this reckoning the ... of the present policy ... August. The next ... own as "Son of £6," ... past form, be one ... Subsequent phases ... to be ones of dis-... —even if not explo-... the end of which there ... no visible effects on ... although a trail of ... s and inefficiencies ... left behind.

... s by no means a ... or eccentric view of ... policy; many students ... and economics would ... it concedes too much ... 's policies in view of ... rd. But it will be no ... eaders that Mr. Denis ... es matters differently. ... nt incomes policy is, ... different from past ... and can form the ... s of an enduring

... therefore going to use ... st to do all he can ... ce the pay controls, ... rticular to do all he ... persuade the TUC ... accept the lowest ... orm below £6 for the ... ase. These motives ... to some otherwise ... Budgetary changes ... en a special twist, ... resentation or reality. ... ncellor would like to ... ugh idea of how far ... ill be prepared to go ... the second phase of ... olicy beginning next ... As Mr. Peter Oppen-... oints out in the ... issue of Vickers da ... e British Economy ... ted bargain, in which ... aint would be traded ... ployment promoting stimulus from the Chancellor, is a false one. The relationship is the other way round. Restraint is required in pre-tax money wages and an actual fall in pre-tax real wages is needed to restore normal employment.

Fortunately, it is not necessary to go any further into the theology of this for two reasons. First, the Chancellor's room for manoeuvre is extremely limited. It is limited both by the Public Expenditure White Paper, due next Thursday and by his Letter of Application to the IMF. In the latter he has actually given his approximate Budget judgment. This is that the Public Sector Borrowing requirement in 1976-77 will be a little, but not much, below £12bn. This figure was also the estimate for the 1975-76 outturn, but the best official guess of this is now down to near £11bn.

Offset

The Government has succeeded, on paper at least, in holding the volume of public spending "programmes" in 1976-77 down to slightly below the 1975-76 levels. This modest reduction has been offset by adjustments the other way to the "contingency reserve" and "shortfall." But the real snag has been debt interest, which is likely to increase by over £1bn.

Thus total planned public spending will rise by about £1bn. next year, even before allowing for inflation. This might with luck, be offset by the automatic effect of inflation on tax revenues ("fiscal drag"); and economic recovery would impart some buoyancy to receipts as 1976/77 progresses. But even on relatively optimistic assumptions, the Chancellor will have very modest amounts of so-called tax reliefs at his disposal, if he is to keep the borrowing requirement in the £10bn.-£12bn. range. Those who favour the lower end of the range have indeed been going around with glum faces.

The second reason why we can avoid theological arguments about the legitimacy of a Budget stimulus, in return for wage restraint, is that the TUC is at a very early stage in formulating its Phase 2 policies. There is no chance that they will have been decided by the time the Budget decisions are made. The Chancellor will have to make his best guess and use the detailed composition of his tax changes—rather than any large total stimulus—to influence the TUC in favour of the lowest possible norm.

The provisional state of play is illustrated by a TUC back-room calculation, which suggests that there is not much to be obtained for the unions in the shape of more price stability for a wage norm below 7 per cent. There is not much point in debating with the TUC experts the details of their model. For the 7 per cent. figure also represents a provisional political judgment on what member unions will accept as an opening bid in their talks with the Government.

It is most unlikely that Ministers will accept 7 per cent. or £4, just like that. The consolidation of the present £6 into wage rates, so that it counts for overtime and other extras, might itself add 2-3 per cent. to wage costs. But to postpone all consolidation would lead to pressure to consolidate the full £10 at the end of Phase 2—a sure way of killing the incomes policy with despatch.

Much more likely in the end is a flat rate basic increase of £2-£3, with something for productivity deals, anomalies, special situations, and perhaps some "consolidation" of the Phase 1 increase. Ministers will be extremely lucky if the whole package amounts to as little as 7 per cent. by the time it is implemented; and it could well be a good deal more. Further progress to below £6 or 10 per cent. cannot be taken for granted, if we judge by results rather than paper formulae.

TAX THRESHOLDS AND INFLATION

	Present amount £	Amount if 1975 Budget level is restored* £
PERSONAL ALLOWANCES		
Single Person	675	810
Married	955	1,146
Child	240-305	288-366
LEVEL OF TAXABLE INCOME AT WHICH HIGHER RATES START		
40 per cent. rate	4,500	5,400
45 per cent. rate	5,000	6,000
50 per cent. rate	6,000	7,200
55 per cent. rate	7,000	8,400
60 per cent. rate	8,000	9,600
65 per cent. rate	10,000	12,000
70 per cent. rate	12,000	14,400
75 per cent. rate	15,000	18,000
83 per cent. rate	20,000	24,000

* *Assuming 20 per cent. rise in retail price index between 1975 and 1976 Budgets.*

Helping hand

How then can the Chancellor's very limited room for budgetary manoeuvre be used to give a helping hand to "Son of £6"? His preferred starting point is the tax thresholds. These have fallen drastically in real value since their nominal increase in the April 1975 Budget. On present trends the retail price index will be a good 20 per cent. higher this March or April than a year ago. This means that, simply to stay where we are, the single personal allowance would have to rise from £675 to over £800; the married allowance from £955 to nearly £1,150, the young child allowance from £240 to nearly £290. The ceiling on taxable income taxed at the basic rate of 35 per cent. would have to rise from £4,500 to £5,400, and the starting points of all the higher rates would have to rise as shown in the larger table on this page.

Increases in the tax thresholds, and widening of the tax bands, to offset inflation are known by the Inland Revenue as "valorisation," a horrible new piece of jargon of which we may expect to hear a great deal. It differs from indexation in being a one-off operation, introduced at the Chancellor's discretion. Indexation by contrast is an automatic process which leaves the effective real tax rate unchanged in the face of inflation, unless the Chancellor puts forward positive proposals for increasing it—which is why it is politically so unpopular.

The personal allowances are estimated to be costing the Revenue £10.5bn. in 1975-76. A full 20 per cent. "valorisation" of the allowances would therefore cost well over £2bn. in the next financial year and is obviously out of the question.

The purists would argue that it is wrong to compare the price index of March or April, 1976, with that of a year ago. The relevant comparison is between the average of 1975-76 and that of 1976-77. If inflation continues to decline on the present course prices in the next financial year may, on an optimistic estimate, be about 12½ per cent. higher than the present one.

Even a 12½ per cent. valorisation, however, is unlikely. It would involve an increase, for instance, in the married allowance to over £1,070, and would cost well in excess of £1.3bn. One should remember that if the Chancellor is to do anything remotely effective about the poverty problem he will have to raise family allowances and/or the cut-off points of the means-tested social benefits, as well as raise the tax thresholds.

A much more tempting course for the Chancellor will be to tie the increase in the personal allowances and the starting point of the higher tax rates to his hoped-for wage norm, say, 5-7 per cent., at a cost of upwards of £700m. The message would then be: Your wage "increase" will come in two parts: a lower tax bill than if the Budget had not taken place, plus the norm itself. If you add the two elements together, you will find that your take-home pay rises by the same percentage as the norm.

TAXES AND WAGES

	%
Tax on average earnings	25
Tax on marginal earnings	40.5
Increase in take-home pay resulting from 1 p.c. wage increase	0.79
Per cent. increase in wages required to provide 1 p.c. increase in take-home pay	1.26

If we ignore the difference between wage and financial year (or suppose the higher allowances to be post-dated) this is true, but still remains a statistical debating point. A threshold increase provides no incentive for a wage negotiator to stick to the norm rather than go for a higher figure, as anyone can discover by constructing a few arithmetical examples.

A progressive tax system inevitably means that the percentage increase in take-home pay will be less than the percentage increase in pre-tax wages. The smaller table shows that to obtain a 1 per cent. increase in take-home pay the average worker needs a pre-tax wage increase of over 1¼ per cent. Or, to put it the other way round, a pre-tax wage increase of 1 per cent. yields a gain in take-home pay of only 0.8 per cent. This deflator arises because the average tax and National Insurance burden on existing earnings is 25p in the £, while tax and contributions on each additional pound earned is 40.5p.

An increase in the tax thresholds gives the wage earner a tax relief to add to his pay increase. But this is a lump sum, obtainable even with a zero wage increase. The less than proportional effect of gross wage increases on take-home pay is one of the inescapable costs of a progressive tax system, which no clever Budget can eliminate.

Basic points

The Chancellor's best bet is to eschew arithmetical gimmicks and stick to a few basic points: the more wage restraint there is, the higher will be the level of activity and employment; and lower money wage increases will, given the appropriate monetary policies, be reflected largely in lower price increases. More specifically, if Mr. Healey introduces the new reduced tax band below 35 per cent. advocated by the TUC, he will have very little, if anything, over for raising the tax thresholds; and it is the latter policy which will help most the poorest of all.

Above all, it would be a great help if the Chancellor would refrain from presenting some needed increases in the tax thresholds or the equivalent as tax cuts or concessions. If he tries, those who comment upon and explain these things should refuse to follow him.

As explained above, anything less than complete valorisation of the thresholds—which involves a minimum increase of 12½ per cent.—represents an increase in the real personal tax burden. All that is being contemplated is a reduction in the speed with which the burden is increasing. To use Mr. Healey's own barbaric metaphor, we will be caned less severely.

Letters to the Editor

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...Managing Director, ...utive Selection

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... Hirst.

... gh a member of a ... myself (Association ... ty Teachers), like ... I am becoming gravely disturbed by the increasingly intolerant no-holds-barred attitude of many top trade union officials in their efforts to extend their power over more and more of the working population. The current noisy squabble for professional engineering recruits is one of the unpleasant symptoms.

In your columns of February 9, the general secretary of the TASS section of the Amalgamated Union of Engineering Workers, is reported as saying, in connection with consultancy work contracted out by Ford Motor, that "consultancies where TASS is represented are obviously more likely to be favoured, if only because of the common tie of belonging to the same union." If this means anything, it comes perilously close to saying "unless your professional staff join TASS, you won't get work from Ford." Presumably, in order to carry out this policy, members of TASS employed by Ford to select suppliers will be pressured by their union to place the state of union membership in candidate firms before competence and efficiency when making their decisions. I feel very sorry for these Ford employees, who will find themselves obliged to put the ambitions of their union leadership before the proper execution of the jobs they are paid to do.

If a trade union has anything really worthwhile to offer professional people there should be no need to turn to the methods of the protection racketeer to recruit them. Hopefully fellow engineers and other professional workers will take due note of this and other indications of what trade union membership could do to their self respect if they are tempted to join any union which does not hold very firmly to ethical standards appropriate to the tolerant and free society we have so far, against increasing odds, managed to remain.

D. E. Hirst.
"Newhaven,"
George Green Road,
Slough.

The oppressed civil service

From Mr. G. Bevan.

Sir,—There has been much talk recently concerning the over-manning of the civil service and their larger wage increases. Now we see in your Letters section (February 9), a letter from a lady by the name of Vera Cocks, who would take away the service's extra day's holiday on the Queen's birthday.

Do the people that moan and call for cuts realise the expense of this. To reduce the civil service by whatever percentage is called for, would cost the country far more in the way of extra pensions for those retired early, and redundancy benefits, etc., than if the service is maintained at its present level.

Furthermore, this supposed 32½ per cent. wage increase over the last year consists of annual increments and a now annual wage review (it was biennial).

The real home truth behind the matter of the civil service is that its oppressors should first find out the facts and realise the consequences before "knocking" the service.

G. Bevan,
National Economic Development Office.
Millbank Tower, Millbank, S.W.1.

Energy-use programme

From Mr. N. Jenkins

Sir,—In none of your comments on January 29 is there mention of one of the more significant sections of the Plowden Committee Report. Page 21 (4.22), deals with energy conservation and combined heat-and-power generation. The two most important recommendations are contained in phrases pregnant with the greatest possible significance. One is "The industry's structure must not impede the economic use of resources," which follows a most succinct summary of the present situation.

This continues with a reference to the Board's statutory obligations preventing them from collaborating in schemes involving purchase of electricity from independent generation sources. The second phrase is a recommendation which says "In future no room should be left for doubt about the industry's powers. Similarly, the most economic way of developing heat-and-power schemes may well involve providing only heat at the outset and adding electricity generation at a later date. At the moment, the industry is allowed by its statutes to sell waste heat from existing power stations but not to sell heat alone. In both cases, the statutes are an obstacle to the most economical use of all national resources. They should therefore be changed."

These recommendations, taken together with the starkly clear and realistic review of the way these questions have been dealt with in the past, destroys what little case Mr. Lycett might have succeeded in establishing in his letter to you of January 19. The hole-and-corner investigations of a small group set up by one Area Board are comparable with the emotional arguments put forward in the letter concerned. This is very much what Plowden is complaining about: such a vitally important subject as the distribution of heat cannot be dismissed conclusively in this manner. It is a Department of Energy matter: not even the business of the CEGB. Such decisions must be made by an independent body charged with determining the most efficient use of fuel, not the production of electricity regardless of energy balance. So long as electricity requires a wastage of twice as much fuel as it takes to produce one useful kilowatt—two kilowatts of fuel for every one of electricity—any decision of choice between fuels or method of supply energy must be independent of established intermediaries between fuel and consumer. We must be eternally grateful to the Plowden Committee for opening the road to this very badly needed reform.

Where the Midlands Area Total Energy Group is grossly misleading is in trying to prove combined heat and power generation and distribution uneconomic without comparing like with likely alternative. The only viable energy source to replace all our individual oil and gas-fired independent boilers at the turn of the century is an all-electric age. It is not to-day's fuel-cost economics that matter most—and, incidentally, it just isn't true that the cheapest fuels cannot be used for combined heat and power generation—but building costs. Sir William Hawthorne has said we shall need 40 new power stations, Harboe says the all-electric age will cost us £5bn. a year more than combined heat and power.

Stockholm's Energy Authority, which started life as the supplier of electricity alone, has recently published a 70-page volume detailing the meticulous costing of an all-electric supply to a new area of metropolitan Stockholm—and comparing this with hot water and electricity from combined heat and power plant. The all-electricity alternative is just half as much again *more* expensive—in spite of £6.7m. required for piping in tunnels driven through solid rock and services laid in congested city streets.

It certainly is not the prerogative of an Area Electricity Board to contradict such evidence as this with an argument designed to keep it in business and maintain an unjustified dominance of the energy supply field. Whatever else Plowden has done the Report shows how such an unreliable and diversionary kind of authoritarian pronouncement as this can result from the present form of management. In Frank Chapple's own words this is a fair, reasonable and sensible report. The recommendations just cannot be implemented too soon—to enable a sensible energy-use programme to be set up.

Norman Jenkins.
Whitehill, Ewshot,
Farnham, Surrey.

Numeracy of clerks

From Mr. A. Oakley

Sir,—With regard to Mr. T. Wegner's letter of February 2 (Figure it out). I fully accept the points he implies: (a) The level of numeracy is poor in clerical posts; (b) That we should be warned by this fact.

The use of calculators and ready reckoners, however much derided, does have distinct advantages. It allows a lower skill of clerical assistance to be used compared with the level required by Mr. Wegner and which he implies is a very scarce commodity. It is faster. Hand calculation for Mr. Wegner's example is approximately ten times slower than using a calculator. I do not know Mr. Wegner's output of invoices—but the cost of a calculator is less than one week's wages of a clerical assistant. The role of numeracy in this context is only to provide an approximate guide as to the correct "order" of answer, and as a casual check against error.

In fact, I suggest Mr. Wegner does his sums—he may find it cheaper to employ less numerate personnel than yearn after a perfection our society (however misguided) cannot provide.

A. J. Oakley,
Senior Lecturer in Management.
The Polytechnic,
Himley Hall,
Nr. Dudley, Worcestershire.

The price of Scotch

From Mr. A. James

Sir,—The law requires whisky to be sold by accurate, Government approved, measure. The standard size bottle may be filled with 32 measures but because of slight losses in dispensing, only a maximum of 31 full measures can be sold from the bottle. Thirty-one measures sold at 25p will take £7.75 from the customer, but 57p of this goes to Customs and Excise as VAT. The publican is left with £7.18.

My most recent purchase of whisky, direct from the distiller, cost £43.09 per case, for a six-case delivery. That represents £3.59 per bottle. I know I can buy it cheaper than that from the off-licence shelf, but there are other considerations. The gross profit may seem to the customer to be £4.16 on sales of £7.75 or 53.7 per cent. but it seems to me to be £3.59 on sales of £7.18 or exactly 50 per cent. Whoever is right, your correspondent Mr. Teesdale (February 3) is certainly wrong when he calls it 150 per cent.

A. R. James.
21, Knolls Close,
Worcester Park, Surrey.

To-day's Events

GENERAL
Mr. Denis Healey, Chancellor of the Exchequer, announces measures to combat unemployment.
Trade and Industry Sub-Committee of House of Commons Select Committee hears evidence from plant management and union and staff association representatives at both Ryton and Stoke plants regarding public expenditure on Chrysler (U.K.)
BMA central committee for hospital medical services meets, and is expected to have before it results from ballot of consultants on Lord Goodman's proposals in private practice issue.
Sir Lindsay Ring, Lord Mayor of London, attends City of London Polytechnic annual presentation ceremony, Guildhall, E.C.2.

PARLIAMENTARY BUSINESS
House of Commons: Water Charges Bill, second reading. Consideration of EEC documents on agriculture.
House of Lords: Damages (Scotland) Bill, third reading. Incurable Patients Bill, second reading.

OFFICIAL STATISTICS
Index of industrial production (December).

COMPANY RESULTS
Bernard Wardle (full year).
John James Group of Companies (half-year).

COMPANY MEETINGS
Hawkins and Tipson, Grosvenor House, W., 5.30.
Richards, Aberdeen, 12.
Serck, Birmingham, 12.30.
United Spring and Steel, Smethwick, 12.

OPERA
The Duke of Edinburgh attends gala performance of scenes and arias from 13 operas in aid of English National Opera Benevolent Fund, Coliseum Theatre, W.C.2.

BALLET
Royal Ballet dance Serenade, A Month in the Country (premiere), and Petrushka, Covent Garden, W.C.2, 7.30 p.m.

MUSIC
Royal Philharmonic Orchestra, conductor Jesus Lopez Cobos, with Victoria de los Angeles (soprano) in Granados (suite from Goyescas), Canteloube (songs from the Auvergne) and Dvorak (symphony No. 8 in G), Royal Festival Hall, S.E.1, 8 p.m.
An Evening with Joseph Cooper and Brian Rayner Cook (baritone): The Music of Schumann, Fairfield Hall, Croydon, 8 p.m.
Enrique Perez de Guzman gives piano recital of works by Bach, Busoni, Ravel, Chopin, Poulenc, and Falla, Queen Elizabeth Hall, S.E.1, 7.45 p.m.

COMPANY NEWS + COMMENT

Current trading improves at Aaronson

AFTER BEING £322,000 adrift at midway, pre-tax profits of veneer merchants, Aaronson Bros. finished the year to September 30, 1975 marginally down from £1.87m. to £1.82m.

At halfway, the directors said the second six months should show an increase over the £903,000 for the first half and that "substantial" benefits were expected in the year 1975-76 as a result of continuing investment.

They now report that since the year end, trading has improved and it is anticipated that the current half-year results will show a "significant" increase over the same period for last year.

Fully diluted yearly earnings per 10p share are shown to have risen from 4.33p to 4.61p and the dividend total is stepped up from 1.50373p to 1.60472p with a final of 1.10472p net.

	1974-75 £	1973-74 £
Group sales	17,765,544	17,295,729
Trading profit	2,203,745	2,115,170
Interest payable	383,977	246,342
Profit before tax	1,819,768	1,868,828
Tax	716,000	822,000
Net profit	1,103,768	1,046,828
Minority	110,821	112,548
Extraord. debits	228,627	179,651
Attributable	764,320	754,629
Pref. dividends	130,500	130,500
Ord. dividends	311,679	292,065

Although the provision amounts to £716,000, due to capital allowances arising from substantial capital expenditure, the tax payable based on profits for the year is estimated to be £182,400.

Extraordinary items of £228,627 (£179,651) arise substantially from the closure and transfer of certain production units to the new factory in Devon as a result of the policy to consolidate the main board manufacturing activities on one principal site.

The directors point out that the year's profitability was achieved despite the disturbances and reduction in profits which resulted from the transfer of production. Recent expansion, particularly in Devon, should substantially increase group productivity and profitability, they add.

● comment

Although within the terms of its interim forecast, Aaronson has not produced quite the scale of recovery which had been anticipated by the market, and after a 56 per cent. rise in interest charges, pre-tax profits are slightly lower, having dropped by a quarter in the first six months. The shares fell by 3p to 33p last night compared with fully-diluted earnings per share of 4.6p (or 3.7p on a fully-taxed basis), where the yield is 4.3 per cent. The full transfer of both veneer and laminate production to the group's Devon factory should be completed this year and the cost savings resulting from both integration and reduced manning (labour costs, for example, increased by only 5 per cent. last year) together with a much firmer demand picture could reproduce the 1972-73 level of pre-tax profits of £2.6m., or earnings growth of well over a third. This puts the current rating into perspective. Borrowings, meanwhile, have increased to about £3¼m., on the back of capital spending of £2¼m., which is slightly more than shareholders' funds; but better cash flow and sales of three empty factories should improve this position.

INDEX TO COMPANY HIGHLIGHTS

Midway downturn at Elbief

Profit of Elbief Company decreased from £162,000 to £137,000 in the half year to October 31, 1975, subject to tax of £71,000, against £84,000.

Sales to date show an improvement, however, and the current order book is encouraging, the directors state.

At the AGM last October the chairman, Mr. S. Prais, said sales were showing an increase over last year, but costs were continuing to rise. The directors were doing their best to minimise them as much as possible, he added.

As before the interim dividend is 0.35p net per 5p share. The total for the year to April 30, 1975, was 0.955p from pre-tax profits of £337,308.

The interim dividend is being waived on 7,841,250 shares.

The company manufactures handbag and purse frames and accessories for the leathergoods trade.

● comment

The combination of a slump in spending on luxuries and a fashion for floppy handbags has produced a 15 per cent. fall in half-time profits for Elbief. But although stocks remain substantial after a near 60 per cent. rise last year, it seems unlikely that 1976 will take the company below the solid, if unexciting, profits range of £250,000 to £450,000 maintained over the past decade. Exports to North America are holding up at more than 45 per cent. of sales and the overall order book is said to be "encouraging." But also important is the company's cash position, where interest received made up some 30 per cent. of profits last year and remains much the same. Cash represents 3.8p of the net asset value of 18.7p of the shares. And while the market value is nearly 7p below this level at 12p, the shares still yield a historic 12.6 per cent.

Profit down at Econa

Group profit, before tax, of sanitary engineers Econa declined to £148,434, from £154,832, in the half-year to September 30, 1975, on higher turnover of £2.19m. against £1.98m. The profit figure for the year to March 31, 1975, was £298,188.

The net interim dividend is stepped up from 0.6p per share to 0.7p. The 1974-75 total was 1.7203p.

	Half year 1975 £	1974 £
Turnover	2,187,477	1,984,734
Profit	155,441	161,894
Loan capital interest	6,987	7,042
Pre-tax profit	148,454	154,852
Tax	77,198	80,523
Net profit	71,256	74,329
Interim dividend	24,186	22,190

Growth for Wades Stores

IN THE six months to October 31, 1975, turnover, excluding VAT, of Wades Departmental Stores expanded from £3.86m. to £5.06m. and pre-tax profits jumped from £321,000 to £510,000.

The interim dividend is raised from 0.58333p to 0.6225p net per 20p share—there are waivers of £9,837 (nil). Last year's total was 1.65467p paid from pre-tax profits of £793,546.

First-half profits were struck after an adjustment in the provision for unmatured profit costing £82,000, compared with a credit of £38,000 last time. Tax took £265,000 against £167,000. The company is "close."

In his last annual statement the chairman, Mr. W. Dixon, told members that turnover for the first four months of the current year had shown a satisfactory increase. The good start led the directors to expect increased profits for the first half, and it encouraged them to resume steady expansion and to seek suitable sites for new branches.

The directors now say that turnover for the current half-year is running at a higher rate than in 1974 and profits for the full year are expected to be higher.

Two additional properties are being acquired and two existing stores increased in size following the acquisition of adjoining premises, while the programme of improvements is being continued. The benefit of these will be felt in the next financial year, the directors add.

● comment

Wades Departmental is the latest in a string of furniture retailers and manufacturers whose profits growth underlines the continued strong demand for furniture which has shown up over the past year. In Wades' case sales are 31 per cent. higher, while profits are nearly three-fifths above those of the comparable period. There is no slackening in sales growth in the current half, though the profits increase is unlikely to look as impressive as that of the first, because it was in the latter part of 1974-75 that the advance really got under way. Even a modest improvement in the second half will put Wades' full-year profits over £1m. pre-tax, and this must be a minimum target. At 40p the p/e, based on the last twelve months' earnings, is only 4.7, so the shares have some way to go to catch up with events even after the four-fold rise over the past year.

Decline in Macpherson profits

THE WARNING of lower profits given by paint manufacturers Donald Macpherson Group has been borne out by the figures for the year ended October 31, 1975, which shows a £162,000 drop to £1.56m.

The second half has again produced the bulk of the profit—£1.12m. against £975,500. And the directors consider that this particularly good result gives ground for cautious optimism for 1976. They stress, however, that future performance will once again depend on underlying economic trends.

Despite a very high level of capital investment, group borrowings at £1.61m. have been reduced to less than 20 per cent. of shareholders' £8.19m. funds as a result of the rights issue and reduction in the ratio of net working capital to sales.

Earnings per 25p share are shown at 5.9p (7.6p) basic and 5.7p (7.2p) fully diluted. The net final dividend is 1.365p for a total of 2.145p on capital increased by the rights issue, compared with 2.010p. This is equal to 3.3p gross against the forecast of maintenance of 3p.

After tax, minorities and extra-ordinary credits, net attributable profits came out at £724,800 (£988,200).

	1974-75 £000	1973-74 £000
Sales	32,008	25,107
U.K.	27,229	21,114
Overseas	4,779	3,993
Trading profit	2,081	2,121
Depreciation	28	260
Interest paid	219	143
Profit before tax	1,556	1,718
Taxation	571	940
Minority loss	5*	7*
Extra-ord. credits	†15	236
Attributable	725	988
Dividends	273	195
To reserves	430	757

* Profits. † Comprises U.K. regional development grants £26,400 (£31,400), exchange gains £30,000 (£100 losses), share issue expenses £26,700 (loss on sale of property £2,700), nil, goodwill £7,300 (insurance excess on property destroyed by fire £100,200).

In the U.K. the sales increase in the trade, retail and automotive refinishing divisions were largely offset by a reduced level of volume on the industrial side. The overall rise reflects marked inflation between 1974 and 1975.

The rate of increase in costs, and consequently in selling prices, slackened appreciably during the year, but counter-inflation legislation again rendered it impossible to recoup fully all unit-cost increases in higher selling prices.

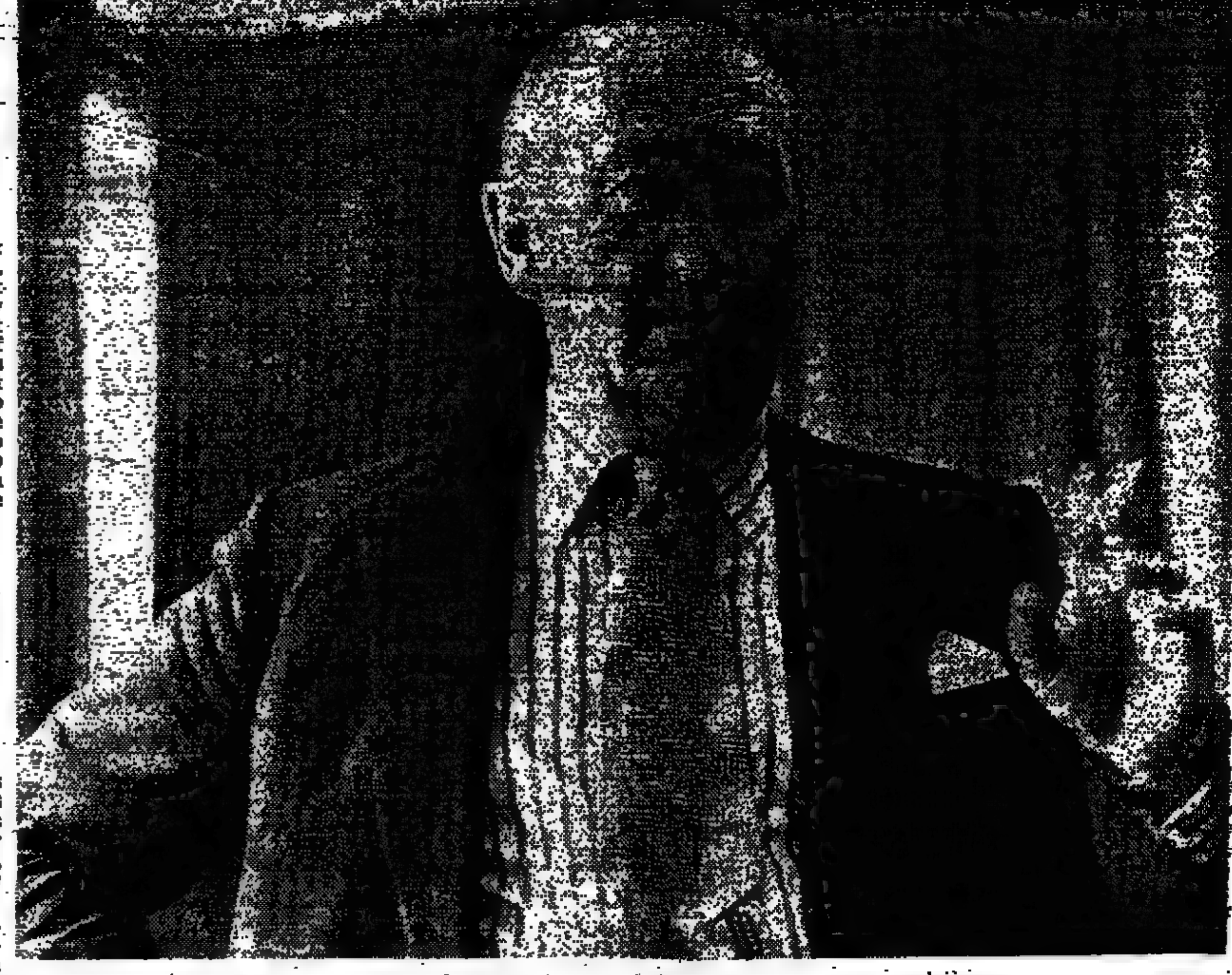
Overseas, volume was rather lower than in 1974, reflecting the world-wide nature of recession. Nevertheless, all companies "did well" in difficult trading conditions and in aggregate continue to contribute between a fifth and a quarter of all profits.

Capital investment in buildings and plant exceeded £1m. for the first time. Most of this was in the U.K., where production and distribution facilities are being extended and modernised to accommodate the anticipated growth in demand over the next few years.

Group trade names include Macphersons, Sissons, and Portaflek. Sales to F. W. Woolworth are under the Household and Cover Plus marks.

● comment

The market did not find Donald Macpherson's 1974-75 performance particularly impressive, given its record and shares fell 2p to 47p. All the same, profits recovered strongly in the second six months (after a 41 per cent. pre-tax drop at the interim stage), and the full-year pre-tax level is within 10 per cent. of its 1973-74 peak. Industrial paint sales, which suffered a 10 per cent. volume fall last year, have remained depressed in 1975-76 and there has been some evidence of an easing in demand on the trade side. However, decorative paints generally are still doing well, with sales volume benefiting from Woolworth's recent advertising campaign, and automotive paints (none of which go to motor manufacturers) are pushing ahead. Margins are still under pressure but a full recovery this year is probably a minimum expectation, and, with borrowings being held at less than 20 per cent. of shareholders' funds, the shares, yielding 7.2 per cent., can also derive support from the strong financial position.



Mr. Leonard Mather, chairman of United Domi[...] who reports a modest improvement in the gr[...] for the half-year ended December 31, 1[...]

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Aaronson Bros.	1.1	April 3	1.05	1.6	1.5
Anglo-American Securities	1.35	March 26	1.45	2.85	2.15
Colonial Secs. Tst.	4.1	March 26	3.7	6.2	5.8
Dalgety .....int.	4.76	July 1	4.33	—	8.13
Econa .....int.	0.7	March 15	0.6	—	1.72
Elbief .....int.	0.35	April 9	0.35	—	0.96
Donald Macpherson	1.36	April 2	1.21	2.14†	2.01
Securicor	4.79(a)	—	4.36*	6.28*	5.71*
Security Services	6.62(a)	—	6.02*	9.97*	9.06*
Wades Stores .....int.	0.62	March 30	0.58	—	1.65

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Percent gross.

agent for Den-Bere International, one of the largest frozen food broking operations in the U.S. Anglo European Foods, CTH's frozen foods division, will handle imports from, or exports to, the U.S. on behalf of De-Bere.

Thompson's other main division is F. D. Thacker, a Suffolk-based poultry producer, where the establishment of a new £1m. poultry processing factory at Lowestoft, is expected to lead to a significant increase in business.

To sustain the growth rate, the directors are contemplating an expansion in the capital base within the next 18 months. Whether this will be by private placing or a public flotation has not been finalised, but the directors are hoping that market conditions will be right for the latter.

Substantial increases in turnover and profits are looked for this year.

Ang.-American Securities pays more

REVENUE BEFORE tax of Anglo-American Securities Corporation advanced from £2.33m. to £2.42m. for the year to January 15, 1976.

A net second interim dividend, in lieu of final, of 1.35p against 1.45p, makes a total of 2.35p for the year, up from 2.15p.

Net assets per 25p share are shown at 124p (84p) and at 122p (87p) assuming full conversion of loan stock.

	1975-76 £	1974-75 £
Gross revenue	3,807,781	2,899,088
Fees and expenses	129,392	109,282
Interest	462,834	459,769
Pre-tax profit	2,415,535	2,331,026
Tax	980,031	905,733
Net profit	1,435,304	1,422,293
Pref dividend	81,223	81,223
Ordinary dividend	1,268,253	1,160,153
Surplus	86,028	180,917

Securicor second half upsurge

INCREASED PROFITS are announced by Securicor Group and its 52 per cent. owned Security Services for the year to September 26, 1975, and both companies are raising their dividends to the maximum permitted.

Pre-tax profit of Securicor advanced from £2.63m. to £2.75m. after a downturn from £1.33m. to £1.27m. in the first half.

A final dividend of 4.7927 per cent. effectively raises the gross total from 5.707 to 6.2777 per cent., on stated earnings up from 5.1p to 5.7p per 25p share.

The chairman, Mr. P. A. C. Smith, points out that, with first half profit held back by price control, all the growth came in the second half when operating profit showed an 18 per cent. increase.

This more favourable trend has continued into the current financial year, he adds.

The more favourable trend was supported by a growth in turnover in real terms—from £46.7m. to £61.35m.

SECURICOR	1974-75 £	1973-74 £
U.K. turnover	54,820,000	42,230,000
Overseas	6,830,000	4,500,000
Total turnover	61,55,000	46,730,000
Security profit	2,094,690	1,995,723
Finance div.	660,119	631,534
Total pre-tax profit	2,754,799	2,627,257
Taxation	1,549,894	1,553,372
Net profit	1,204,905	1,073,885
Outside interests	468,290	436,590
Extra-ordinary debits	9,904	139,966
Retained	331,224	337,023
Dividends	165,578	148,284
To reserves	30,434	37,444
Forward	3,104,436	2,592,648

Stated earnings per share of Security Services advanced from 5.9p to 6.5p, and the dividend is effectively raised from 9.0552 to 9.9607 per cent. gross with a final of 6.6197 per cent.

SECURITY SERVICES	£	£
Turnover	61,236,764	46,343,432
Security profit	2,094,690	1,995,723
Finance	241,296	227,430
Total pre-tax profit	2,335,978	2,223,173
Taxation	1,328,384	1,330,372
Outside interests	6,625	-3,967
Extra-ordinary debits	19,038	286,938
Retained	781,148	394,669
Dividends	350,795	335,307
To reserves	75,788	82,754
Forward	3,612,455	2,857,078

See Lex

ROTORK-AUTOMATION PANELS

Rotork has completed the acquisition of the capital of Automation Panel[...] was £3,500 cash, [...] nary shares no[...] dividend for 1975.

Marti[n the] Newsa[gent] sales r[...]

THE ANNUAL m[...] The Newsagent [...] retail sales, inclu[...] the first 18 week[...] February 1, 1976 [...] an increase of 2[...] those for the sa[...] year.

Christmas trade [...] the main centr[...] "satisfactory." In [...] to February 1, 1[...] 26 per cent. up o[...] weeks last year.

The directors e[...] 16 sites, and to p[...] established shop[...] current financial [...] 3, 1976. During [...] likely they woul[...] about 10 branche[...]

In addition t[...] expansion, the dir[...] ning to modern[...] branches.

ISSUE NE[WS]

ELECTRA UNDERWI[...]

Underwriting [...] completed for t[...] of 12.5m. Ordina[...] 25p each in El[...] Trust, one of th[...] group of trusts, [...] Subscription li[...] Friday, February [...] the offer are [...] Company.

F. H. TOM[KINS] —90.8%

F. H. Tomkins [...] raise £472,000 on [...] for-four at 10p [...] taken up as to 90.[...] balance has be[...] premium and th[...] will be distribu[...] shareholders.

Whitecroft expansion in textiles

Whitecroft, the Manchester-based group, has acquired the issued capital of Eric Britton and Company, manufacturers of bias binding and allied products, in a £440,000 cash deal.

The acquisition forms a logical development in the expansion of Whitecroft's textile division, says the Board, and will represent a valuable diversification into product areas complementary with those at present in the group.

Britton will continue to operate from its existing premises in Bollington and Macclesfield, Cheshire. Whitecroft's major areas of operation cover textiles, building, building and engineering supplies, engineering and leather.

Commercial Union Australia midway loss

A net operating loss of $A1.28m. was incurred by Commercial Union Assurance Company of Australia in the half year ended December 31, against a $A1.6m. deficit in the same period previously.

Again, no interim dividend is declared.

The loss was struck after tax of $A180,000 ($A190,000) and depreciation of $A342,000 ($A326,000).

Net written premiums amounted to $A47.19m. compared with $A44.29m. and new sums assured were $A40.33m., down from $A47.83m.

BICC-Jardine Matheson Far East venture

Balfour Beatty, a subsidiary of BICC, and Jardine Engineering a subsidiary of Jardine Matheson, have formed Balfour Beatty Far East.

The new company will undertake electrical and mechanical contracting for major industrial developments throughout South-East Asia.

C. Thompson expansion

Colin Thompson Holdings, a frozen food and poultry business, has been appointed exclusive U.K.

Good recovery progress by Dalgety

PROGRESS, after last setback, has been made by [Dal]gety group of international [merch]ants in the six months to [Decem]ber 31, 1975, and taxable [profits] for the period have im[proved] from £4m. to £7.8m.

[For] all the previous year to [June 3]0, 1975, profits were £6.8m., [showin]g a fall of 66 per cent. on [the 197]3-74 record of £19.15m.

[Fully diluted] earnings per £1 Ordinary [share] for the half-year advanced [from] 8p to 15p basic and from [ ] 14.2p fully diluted. The [inte]rim dividend is lifted from [ ] o 4.763p per share—last [year's t]otal was 8.1295p paid from [earning]s of 4.4p basic, 4.8p fully [diluted].

[The chair]man, Mr. R. A. Withers, [says] that the improved result [is largel]y due to increased profits [earned] by Associated British Malt[sters,] ig Improvement Company [Dal]gety New Zealand, and to [the grad]ual elimination of losses [on] pastoral properties in [Austral]a.

[Altho]ugh there are now signs [of] improvement, he says, the [low] level of world trade con[tinues t]o affect adversely the steel and lumber activities in [North A]merica. Rural produce [prices] in Australia and New [Zealand,] which at this time last [year we]re declining, are rising [steadil]y.

[Mr. W]ithers adds that the eco[nomic o]utlook in each region in [which D]algety operates is en[couragin]g by comparison with this [time las]t year and the group is [well pl]aced" to take advantage [of any fu]rther improvements and [to ben]efit substantially from [improved in]ternational trading condi[tions].

	Half year 1975 £m.	1974 £m.	Year 1974-75 £m.
[illegible]	394.3	387.2	633.5
[illegible]	7.8	4.0	6.8
[illegible]	7.8	19.8	13.6
...and	7.8	—	6.9
[illegible]	5.1	2.8	5.5
[illegible]	8.4	1.1	7.4
[illegible]	0.4	1.0	1.5
...harges	0.3	0.1	10.1
...tax	3.6	2.5	3.3
[illegible]	4.2	1.3	1.5
[illegible]	0.3	—	0.3
[illegible]	3.9	1.5	1.3

[* Includes] gross amount of sales where [acting] as principal and commission [where acting] as agent. † Loss. ‡ Credit.

[Oversea]s profits and losses have [been con]verted into sterling at [rates rul]ing on respective dates. [Profits b]efore tax for 1975 six [months b]enefited to the extent of [ ] compared with December, [due] to different rates used.

[The] share of profits less [losses of] associates has been in[cluded.] Cost of the Preference [dividend] for the half year is [ ] and the Ordinary interim [ ].

[Non-rec]urring profits or losses [for the pe]riod have been omitted.

	Six months 1975 £m.	1974 £m.	Year 1974-75 £m.
...alysis:			
...ig	4.1	3.3	9.3
...d airy	4.4	3.8	8.1
...gency	1.5	1.1	2.6
...cy	0.7	0.6	1.3
[illegible]	43.3	55.2	122.8
...handise	38.3	38.2	74.6
...serve	114.3	99.2	218.6
[illegible]	15.7	16.7	39.1
[illegible]	1.7	1.3	3.1
[illegible]	1.9	1.8	3.3
...d.	12.0	18.1	30.9
[illegible]	68.8	69.7	129.7
...trading	40.1	[illegible]	150.6
[illegible]	21.4	15.8	41.6
[illegible]	1.5	0.8	2.1
[illegible]	13.9	11.5	22.5
[illegible]	38.0	42.9	96.8
[illegible]	35.6	34.3	72.9
[illegible]	148.2	133.3	299.1
[illegible]	41.4	48.2	121.9
[illegible]	18.7	23.3	82.8

Balance Sheet:

	Dec. 31 1975 £m.	June 30 1975 £m.	Dec. 31 1974 £m.
...assets*	82.9	86.5	88.4
[illegible]	1.9	1.4	2.1
[illegible]	12.6	11.9	11.1
[illegible]	33.7	35.6	30.3
[illegible]	24.7	25.1	24.8
[illegible]	288.0	288.8	176.8

[* Bank] deposits included at £8.9m. [ ] £12.8m.) and short term [ ] at £86.4m. (£83.1m.) and [ ].

[Comm]ent Page 22

See Lex

[DUNL]OP FRANCE

[Tur]nover of Dunlop SA [rose] from Frs.1,009m. to [ ] in 1975.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims: John James Group of Companies, Minerals and Resources Corporation, William Ransom, Sandhurst Marketing, Throgmorton Secured Growth Trust, Westminster and Country Properties, Wood Bastow.

Finals: AC Cars, British-American and General Trust, Cardinal Investment Trust, Cornercroft, Debenhams Corporation, Direct Spanish Telegraph, Pride and Clarke, Scottish Agricultural Industries, Tribune Investment Trust, Bernard Wardle, Thomas Wishart.

FUTURE DATES

Interims—

Dorrington Investment	Feb. 13
Hall (W. W.)	Feb. 20
Rennies Consolidated	Feb. 17
Rosgill	Feb. 24
United Kingdom Property	Feb. 16
Worth (Bond)	Feb. 23
Finals—	
Oliver Photographic	Feb. 13

Colonial Securities improves

For 1975, after all charges including tax of £140,249 compared with £139,113, net revenue of the Colonial Securities Trust improved from £179,811 to £188,846.

The dividend per 25p Deferred share is raised from 5.8p to 6.2p net with a final of 4.1p.

Net asset value per share after Pref. dividend is shown at 280p compared with 171.5p.

Sharps Pixley Wardley Far East venture

The directors of Sharps, Pixley and of Wardley announce the formation of Sharps Pixley Wardley to be incorporated in Hong Kong as international bullion brokers serving the Far East region.

Subject to the necessary U.K. consents, the new company's issued share capital of HK$10m. will be owned as to 51 per cent. by Sharps, Pixley and the remaining 49 per cent. by the Hong Kong Bank Group (principally through Wardley 25 per cent. and Hang Seng Bank 15 per cent.).

The company is expected to start operations in early March 1976 and the comprehensive service in gold bullion and coins, silver and other metals to be provided will complement the existing operations of Sharps Pixley in London and New York.

Sharps, Pixley, one of the five members of the London gold market, is a wholly owned subsidiary of Kleinwort, Benson.

Stroud Riley warning

IN his interim statement, Mr. G. Meredith, chairman of Stroud Riley Drummond, worsted spinners, says that unless there is an unexpected upturn in demand this month and in March, it is difficult to see a satisfactory trading outcome for the current year.

As reported yesterday, the group suffered a turnround from a £199,000 profit to a deficit of £145,000 in the first half (to September 30, 1975) and there is no interim dividend. Pre-tax profits for all 1974-75 were £145,199 and the total payout a net 1.75p.

Mr. Meredith points out that profitability depends on a recovery in world trade, and says he is not optimistic that this will happen before the end of 1976.

The eased group cash position and up-to-date plant gives the directors confidence in the long term, he adds.

Lonsdale buys freehold

E. Braggins and Sons, a subsidiary of Lonsdale Universal, has acquired the freehold of the department store premises from which it now trades in Bedford, at a cost of £465,000.

UNIT TRUSTS

S & P Capital Units investment policy

The managers' report on Save and Prosper Capital Units for the six months ended December 15 shows that at the end of this period, 51 per cent. of the fund was invested in the U.K., with 23 per cent. in the U.S., 16 per cent. in Japan and 5 per cent. in Canada, South Africa and the Far East. The remainder of the fund was held in cash.

In the U.K., in accordance with their view that industrial recovery will materialise earlier abroad, the managers placed particular emphasis on cyclical industries with a high proportion of overseas earnings.

In the U.S., further investment was made in the non-durable consumer goods sector, where there is the prospect of early benefits from an upturn in economic activity.

Japanese stocks in the portfolio have continued to perform relatively well and emphasis has remained on consumer-orientated holdings. Further investment was made in the Hong Kong market, while most of the holdings in South African gold mining companies were sold.

The distribution for the six months ended December 15 is 25p per 100 units.

VANGUARD HIGH YIELD PAYMENT

Transatlantic and General Securities has announced that the interim distribution on Income Units of Vanguard High Yield Fund, for the period September 30, 1975 to July 27, 1976 will be 1.1p net per unit.

M & G SPECIAL

The final distribution on Income Units of M. and G. Special Trust Bond for the accounting period to February 8, 1976, will be 1.54p net per unit—the corresponding payment last year was 1.42p net. Total distribution for the period amounts to 2.84p net per unit, compared with 2.62p for 1975.

ALLIED GROWTH

Allied Investors Trusts has announced that the income distribution on the Allied Growth and Income Trust for the period ended December 31, 1975, is 0.0494p net per unit.

Mr. Rupert Withers, chairman of Dalgety.

British Sugar prospects "excellent"

IN HIS annual statement, the chairman of British Sugar Corporation, Sir Gerald Thorley tells members he still holds the view that prospects for the group "are excellent."

While any agricultural crop must always be subject to the vagaries of the weather, two years such as have been experienced in succession (though for different reasons) are unprecedented. "The aberrations even in combination, should be seen for what they are, a short-term setback," Sir Gerald says.

The incessant rain of the autumn and winter, continued into the spring of 1975, followed by a long, hot and dry summer. Drilling was therefore late and, though plant emergence was good, the drought which continued into late September, impeded growth, and the crop for the second year was unusually low.

The directors are not deterred from the expansion programme, declares the chairman. As known, the corporation envisages increasing its present annual sugar production from 950,000 tonnes to 1,250,000 tonnes in 1980 in an average campaign of 120 days, and to 1,350,000/1,400,000 tonnes in an above-average crop year. This would enable the U.K. to be about 50 per cent. self-sufficient in sugar.

For the year ended September 28, 1975, pre-tax profits amounted to £7.65m. against a forecast of around £6.5m., and the record £14.36m. previously, as reported on January 30, the net dividend is lifted from 7.914p to 8.446p.

Turnover was reduced to £116m. compared with the record £141m. in the previous year, due to the lower out-turn of sugar and other products resulting from a small beet crop. The effects on turnover of the reduced production was offset to some degree by the higher prices received for sugar and other products.

At the end of 1974-75, the Corporation retained abnormally high stocks of refined sugar. By this time, however, the equalised price had been reduced to a more reasonable level and contracts for forward sales were already in excess of these abnormal stocks, Sir Gerald says.

Despite these difficult conditions it is encouraging that Silver Spoon domestic and catering packs more than held their market share, he adds.

Marketing of pulp and molasses proceeded normally and this provided a successful first year's trading in molasses for the new subsidiary, British Sugar Allied Products.

A statement of source and application of funds shows a decrease in net liquid funds of £26.96m. against a £7.4m. increase at the end of 1973-74.

Major shareholders in the corporation are the Sugar Board with 25 per cent. of the Ordinary capital and the Solicitor for the Affairs of HM Treasury with 11.25 per cent.

COOPERS AND LYBRAND DENIES ALLEGATIONS

City accountants Coopers and Lybrand has confirmed that Burnholme and Forder, which is currently being investigated by two Department of Trade and Inspectors and whose share quotation has been suspended since March, 1971, has taken legal action against the firm. A statement from C and L goes on to say that "we have been advised that the allegations made in the proceedings are without foundation and accordingly the action will be strenuously resisted."

Modest improvement for UDT in first half

United Dominions Trust, the finance house group which is the largest borrower from the big banks' "lifeboat," has partially succeeded in its efforts to negotiate a reduced rate of interest, which should save it some £2m. a year, on its £400m. of loans from that source.

The group, which yesterday disclosed a modest pre-tax profit of £0.5m. and a £3.6m. net loss for the six months to December 31, 1975, compared with a £31.2m. net loss in the comparable half-year, disclosed it would be paying a little less interest to the "lifeboat" from January 1.

It is thought that the margin which it pays over inter-bank rate is being reduced from 1¾ per cent. to 1½ per cent.

The chairman, Mr. Leonard Mather, who expresses gratitude for the "stout support" of the big banks, makes it plain, however, that the group, in his view "pays too much for the funds necessary to sustain our business."

Mr. Mather says the group has been unable to earn higher profits because:

(1) The premium paid over and above the market rate cost nearly £4m. in the period.

(2) It has to carry the heavy burden of unpaid interest on a sizable portion of the property portfolio. This interest in suspense was £4m. and is a heavy drain on current profits.

(3) Economic conditions have led to a shrinkage in the size of the consumer credit market as a whole, particularly in the home motor field.

Excluding extraordinary items, the loss per 25p share came out at 3.22p, compared with 27.02p. The Preference dividend is in arrears since January 1, 1975.

Mr. Mather says the group continues to rely in the main upon support of leading banks, headed by the Bank of England. Before the collapse of the inter-bank money market it was able to attract all the deposits required at market rates, but assured funds currently employed are much more costly than open market deposits even though from January 1, 1976, it will be paying a little less for them than hitherto. More time is needed to restore the confidence necessary to enable the group to return to traditional supply conditions.

In banking and instalment credit UDT is maintaining its share of a static market in highly competitive conditions.

The directors are satisfied that existing provisions on property lending portfolio are adequate. Good progress has been made with the reduction in property lending and in the six months total of property advances has been reduced by some £16m. Altogether, progress has exceeded expectations, but there is still a long road to travel.

The heavy burden of unpaid interest on property book means UDT is carrying advances of around £60m. without reward, while paying a high premium for the money required to finance this lending. Time is needed to reduce, and eventually eliminate, this.

	Half year 1975 £m.	1974 £m.	Year 1974-75 £m.
Group profit	0.5	*27.3	*32.4
Taxation	†2.7	1.5	0.4
Net loss	2.2	28.8	32.8
Minorities	1.3	0.3	0.9
Extra-ord. debits	[illegible]	1.8	21.1
Premiums w/o	—	—	8.3
Off assoc., etc., shares	0.3	—	5.9
Rhodesian subsid. adjustment	—	—	3.6
Currency deficit	—	2.4	1.7
Deficit sale assoc. holdings	[illegible]	—	1.8
Other credits	[illegible]	—	[illegible]
Less tax	—	[illegible]	[illegible]
Minorities	0.2	[illegible]	0.3
Loss	3.6	31.2	54.6

* Losses. † U.K. £1m. (£0.2m. and £2.3m. credit) and overseas £1.7m. (£1.3m. and £2.9m.).

By and large, overseas companies have enjoyed a good half-year. Results show a substantial improvement and the companies are well placed to exploit any worldwide economic recovery. In Germany losses were incurred of about £1m. in Deutsche Kredit- und Handelsbank in which a minority interest was held. These losses were largely charged against group profit before tax. This investment has now been disposed of.

At home, UDT International Finance made further substantial progress in financing British exports and international trade, breaking previous records for turnover and "making a handsome contribution to group earnings."

After nearly 30 years of service, Mr. A. H. Bangham retired from executive duties and as deputy chairman at December 31, 1975. He will retire from the Board at the end of this month.

See Lex

Forecast confirmed by RTD

The directors of RTD Group have confirmed their earlier forecast that pre-tax profits for the year ending February 28, 1976, will not reach the level of the previous year. A profit between £230,000 and £260,000 is expected, compared to £466,000.

In the majority of businesses in which the group is engaged, demand has dropped at the retail level, they report. And this in turn has led to a low level of activity in the manufacturers who avail themselves of the group's supplies and services.

Due to inflation, operating costs have risen and profit margins have fallen in a depressed demand situation. These factors have more than offset a rise in sales of 12 per cent., members are told.

The directors consider this announcement of price-sensitive information to be desirable in view of the proposals which they plan to bring to an extraordinary meeting in the immediate future for the creation of a one-class share structure, involving the conversion of all Preference shares to Ordinary.

[RECE]NT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price
			540	480	Ang.Am.Coal Corp. 50c	490
			$12¼	$12¼	Brazil Fund S.A.	$13¼
			$10.50	$10.50	Brasilvest S.A.	$18.50
			245	224	Hughes Tool $1	[illegible]
			205	190	LASMO 'OPS' Units 10p	192
			190	180	SCOT 'OPS' Units 10p	182

FIXED INTEREST STOCKS

1975/6 High	1975/6 Low	Stock	Closing Price
100	98	Arbuthnot Lath. 8½% Conv. Uns. Ln. 1986	[illegible]
104	103	Bowring (C.T.) 10% Conv. Uns. Loan 1997	[illegible]
[illegible]	[illegible]	British Gas Corporation Ltd. Notes 1981	99
[illegible]	[illegible]	Essex Water 9% Red. Pref. 1981	[illegible]
[illegible]	[illegible]	Jardine Math. 7½% Conv. Uns. 1990	[illegible]
[illegible]	[illegible]	LASMO 14% Uns. Loan 81-85	[illegible]
[illegible]	[illegible]	Midland Bk. FloatCap. Notes 1983	[illegible]
[illegible]	[illegible]	Norway 8¾% $ Notes 1981	[illegible]
[illegible]	[illegible]	Pentos 15% Conv. Uns. 1985	[illegible]
[illegible]	[illegible]	Royal Tst. Mort. Corp. 8¼ Deb. 1981	[illegible]
[illegible]	[illegible]	SCOT 14% Uns. Loan 81-85	[illegible]
[illegible]	[illegible]	Seagram 9% Notes 1983	[illegible]
45p	45p	Single 10% Cum. Conv. Pref.	[illegible]
110	[illegible]	Tenneco 10% Sterling $ Conv. 81-95	125

"RIGHTS" OFFERS

Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price
[illegible]	[illegible]	[illegible]	Amber Day	26
[illegible]	[illegible]	[illegible]	Armitage Shanks	67
[illegible]	[illegible]	[illegible]	Baker Perkins	[illegible]
[illegible]	[illegible]	[illegible]	Bertsford (S & W)	145
[illegible]	[illegible]	[illegible]	Blackwood Hodge	[illegible]
[illegible]	[illegible]	[illegible]	Bramwell Beard	[illegible]
[illegible]	[illegible]	[illegible]	Brooke Bond	[illegible]
[illegible]	[illegible]	[illegible]	Brown Boveri Kent	[illegible]
[illegible]	[illegible]	[illegible]	Carpets Intnl.	[illegible]
[illegible]	[illegible]	[illegible]	Eagle Star	[illegible]
[illegible]	[illegible]	[illegible]	Feltrey	[illegible]
[illegible]	[illegible]	[illegible]	Green's Economiser	[illegible]
[illegible]	[illegible]	[illegible]	Lake & Elliot	66
[illegible]	[illegible]	[illegible]	Lower Concrete Machinery	[illegible]
[illegible]	[illegible]	[illegible]	Lloyd (F.H.)	[illegible]
[illegible]	[illegible]	[illegible]	Nat. Bank of Aust.	[illegible]
[illegible]	[illegible]	[illegible]	Ocean Transport	[illegible]
[illegible]	[illegible]	[illegible]	Plessey	[illegible]
[illegible]	[illegible]	[illegible]	Stonehouse Bldgs.	[illegible]
[illegible]	[illegible]	[illegible]	Strong & Fisher	[illegible]
[illegible]	[illegible]	[illegible]	Tomkins (F.H.)	[illegible]
[illegible]	[illegible]	[illegible]	Wolseley-Hughes	25pm

[Renunciation] date usually last day for dealing free of stamp duty. a Placing. b Figures based on prospectus estimate. d Dividend rate paid or payable on capital, cover based on dividend on full capital. [ ] Figures or report awaited. [ ] indicated. s Forecast dividend: cover based on previous year's earnings. [ ] based on prospectus or other official estimate for 1976. [ ] Gross. [ ] Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. [ ] Issued by tender. [ ] offered to holders of Ordinary shares as a "rights." [ ] Issued by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. [ ] Issued in connection with reorganisation, merger or take-over. ♣ Introduction. [ ] Issued to former Preference holders. § Allotment letters (or fully-paid). [ ] Provisional or partly-paid allotment letters. [ ] With warrants.

BIDS AND DEALS

Kuwait stake in Lonrho raised

BY MARGARET REID

A VERY LARGE block of shares, worth £12m. at current prices, in Lonrho, the mining and industrial group with African interest, has been sold by one major Arab shareholder to another

The 9.65m. shares in question have been purchased by Gulf Fisheries, the Kuwaiti family company of Sheikh Nasser Sabah Al Ahmed, a Lonrho director, raising its stake to 21½ per cent. of the group's equity capital.

The seller is Mr. Mohammed Al-Fayed, of Dubai—another Lonrho dicetor—with his associates. Last week Mr. Al-Fayed repurchased from Lonrho for £11m. the 20.5 per cent. stake in Richard Costain (the contracting group with a big Middle East business) which he had sold to it in May last year for £7.7m. Mr. Al-Fayed was then given the right to repurchase the Costain shares. under a previous option when Lonrho wished to sell.

Of Mr. Al-Fayed's holding of Lonrho shares. now completely disposed of, 5.5m. were acquired *as part of the price of his* original sale of the Costain shares to Lonrho, 2.2m. more being obtained later against cash under an option.

No price has yet been disclosed for the new sale of the big block of Lonrho shares, the market price of which was 7p up at 129p yesterday.

Mr. F. A. Butcher, a Lonrho director, said yesterday: "The deal leaves the total Arab interest unchanged. It is part of the hurly-burly of commercial life." There was no suggestion of Mr. Al-Fayed ceasing to be a director, he added.

It will also mean that results of Maclaine, Watson can no longer be consolidated with those of the parent company.

Ralli metal trading reorganised

Ralli Brothers (Trading), the holding company subsidiary of Bowater Corporation which looks after the group's international trading and commodity interests, is reorganising its metal trading interests.

The 100 per cent. holding in *Maclaine, Watson, merchants and* brokers in metals, is being sold to Transcontinental Metals, a wholly-owned subsidiary of Metal Traders Incorporated of New York in which Bowater retains a 30 per cent. interest with Merrill Lynch through a 70 per cent.-owned subsidiary.

The deal, which is believed to be worth some £1.1m. (based on the value of net assets), is seen by Bowater as a logical move to tidy up its operation. A spokesman pointed out yesterday that it was sensible to consolidate the metal trading interests in one large associate, rather than have two interests in competition.

The transfer of ownership will involve a change of domicile and

McLeod Russel-James Finlay forecasts

Details of the agreement *reached between McLeod Russel* and James Finlay regarding their holdings in four tea associations — Consolidated Tea and Lands. Cessnock, West Nile Holdings and Teith Holdings—have been sent to shareholders. It was first announced last October that talks were taking place between the two companies and further announced on December 23 that agreement had been reached.

The terms announced in December are unchanged, except that since then the Treasury *allowed Finlay to increase its dividend* by 42.8 per cent. and therefore Ordinary holders in West Nile are being offered Ordinary stock in Finlay as opposed to Preferred Ordinary stock.

A pro forma balance sheet contained in Finlay's offer for Teith and West Nile, shows that net assets of the enlarged group attributable to Ordinary holders will be £28.9m. Finlay is forecasing pre-tax profits of £3.56m. for the year 1975, and earnings of £1.27m. after extraordinary losses of £200,000.

The document containing de-*tails of McLeod Russel's offer for* Consolidated Tea and Lands and Cessnock shows that its net tangible assets will expand to £10.5m. Asset value per share could therefore be between 255p-313p per share, depending on accepances of the cash or shares offer.

Pre-tax profits of the enlarged group are forecast at £4.1m. for the year ending March 31, 1976, and earnings per share are put at between 29.7p to 35.2p, again depending on the proportion of share/cash acceptances. The group and its existing subsidiaries *have forecast profits of £2.1m.* for 1975-76.

Finlay's offers for Teith and West Nile have irrevocable acceptances of 64.7per cent. and 87.8 per cent. respectively and McLeod Russel's offers for Consolidated and Cessnock 67 per cent. and 83.3 per cent. Slater Walker Securities, which has a 26.81 per cent. holding in the issued rdinary of Finlay, has indicated that it intends to vote in favour of the resolutions to be put to extra-ordinary meetings.

Share price improvements of 5p were scored by Cessnock, 260p, *Consolidated Tea and Lands*, 340p, Teith, 395p and West Nile, 393p. James Finlay improved by 2p to 135p.

MINING NEWS

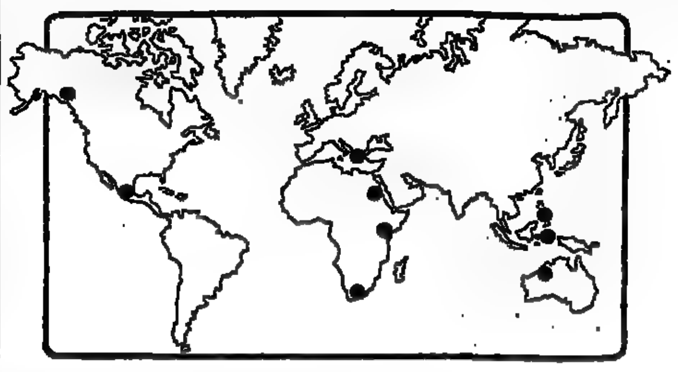
Minerals for tomorrow

BY KENNETH MARSTON, MINING EDITOR

MINING has always been an international business for obvious geological reasons, but over the years the better known and more readily accessible deposits of minerals have been gradually worked out and these days the industry has to live increasingly with the old adage, "mines are where you find them and not where you would wish them to be."

More and more, the prospecting teams have to move away from the traditional mining areas into "*new*" countries and into remote places where, if a discovery is made, enormous costs can be involved in setting up the infrastructure needed to support a mining operation. It's just another reason why metal prices are going to have to rise in the long run.

The international aspect of the search for the metals that are vital to the future of mankind is illustrated by this column's accom-



panying map. It indicates the *position of those new and potential* mineral projects which. on one day alone, have provided us with some news.

First we go to Gebe Island, West Irian, where a possible $460m. (£227m.) nickel-iron venture is hanging in the balance. A feasibility study has been now submitted to the Indonesian Mines Department putting estimated ore reserves at 32m. tonnes with an average grade of 2.22 per cent. nickel and 20 per cent. iron.

This report, which has been put forward by a consortium of eight Japanese metal concerns headed *by Sumitomo, outlines a scheme* to construct a ferro-nickel smelter there with an initial annual output of 26,360 tonnes which would rise gradually to 100,000 tonnes. Although it is reported that a decision has been taken in principle to start construction of the smelter later this year, the consortium has not yet fully committed itself in view of the current uncertainty about the nickel market and the high costs involved in this remote area project.

Mining, like so much else, is costlier than ever these days and the sums involved in new ventures can run into half-billions. And from New York it is reported that Marinduque Mining and Industrial Corporation has submitted a revised financing plan to lenders on its Philippines' nickel project.

The plan is designed to solve the company's serious financial problems which have arisen as a result of the lower than anticipated build-up of production at the new $270m. (£133m.) nickel refinery. Basically, it provides for a $40m. seven-year loan from the Development Bank of the Philippines and the deferral of royalties payable to Canada's Sherritt Gordon Mines (metallurgical managers of the plant) while the Development Bank loan is outstanding.

In Australia, the French Aquitaine group has said that it will continue an extensive exploratory drilling programme there this year. The group has already outlined what could be a major lead-zinc-silver discovery at Sorby Hills, near Kununurra in the *Northern part of Western* Australia, but it is expected to take a further season of exploration before Aquitaine can make decision about the viability of a mining operation in the area.

An existing operation in Cape Province with a good potential is SA Manganese Amcor (Samancor) which was formed last year following the merger of South African Manganese and Amcor, a deal that aroused criticism at the time because it increased the State-run Iscor's holding in the combined group. Samancor has turned in 1975 operating profits of R67.7m. (£38.4m.), equal to 132 cents (75p) per share on 27.7m. shares compared with 89 cents on 21.6m. shares in 1974.

At Lake Magadi, near Nairobi, plans are being made to double Kenya's soda ash industry which rates as mineral extraction if not strictly as mining. Kenya earns £4.8m. a year from the export of soda ash (sodium carbonate), much of which is exported to the Far and Middle East.

Sizeable deposits of iron ore, claimed to be sufficient to support *an annual production of 0.23m.* tonnes of iron pellets, have been discovered on the Greek island of Thassos. The ore is low grade and would have to be enriched. It is planned to hold an international tender to companies wanting to exploit the deposit.

From Denver it is reported that an agreement has been signed between Johns-Manville Corporation, Gulf International and the Government of Sudan for the exploration and possible development of asbestos deposits in the Sudan. The licences cover about 3,861 square miles in the Blue Nile and Kassala provinces.

The evaluation of copper deposits in the Pitman area of northern British Columbia is being carried out by Imperial Oil, a subsidiary of Exxon. The ore grade is reckoned to be "better than 1 per cent." Japan's Sumitomo holds about 120 adjoining claims in the area.

Coming back home, a survey in London's Mining Magazine says that Mexico stands to increase its output of silver by 30 per cent. in the next two years. This could make the country the world's biggest producer of the precious metal, the present "number one" being the U.S.

OF OTHER THINGS

A further modest fall is reported in South Africa's gold holdings. Reserve Bank figures for the week ended February 6 show that holdings declined R0.3m. to R526m. which suggests that a little over half a tonne gold was sold from reserves in addition to the week's newly-mined output *of around 14 tonnes.* Bullion closed $1.25 up at $130.75 per ounce yesterday.

* * *

Australian iron ore magnate said yesterday that his family's bid for Alan Bond's 43.5 per cent. stake in Robe River had saved the latter from being taken over by a unnamed U.S. multinational company.

* * *

Iron ore shipments last quarter by Australia's Mount Goldsworthy amounted to 1.53m. wet tonnes, making a total for 1975 of 7.49m. tonnes compared with 8.06m. tonnes in 1974. For the 12 months starting on April 1 this year, all Japanese steel mills are to reduce their purchases by 15 per cent. with a greater proportion of the reduction occurring in the first half-year, it is stated. Partners in Goldsworth y are Consolidated Gold Fields, Utah International and Cyprus Mines.

* * *

Canada's Bethlehem Copper is planning a $55 (£27.25) per share cash bid worth some $48.3m. (£23.9m.) for Valley Camp Coal which mines bituminous steam coal in the U.S. and is also involved in the distribution of mining and industrial supplies. Major holders of Bethlehem Copper are Sweden's Granges with about 25 per cent. and the U.S. Newmont Mining with some 23 per cent.

MINING BRIEFS

EX-LANDS NIGERIA—January production of Tin ore, five weeks: 46 tonnes (December, four weeks: 39 tonnes). A one-week unofficial strike impaired production.

GEEVOR TIN—January: 9,896 tonnes treated produced 79 tonnes. Black Tin (65 per cent. Sn) including 10 tonnes low grade concentrates (December 79 tonnes).

GOLD AND BASE METAL MINES—Output of concentrates (75 per cent. grade) for December: Tin 35 tonnes. Columbite 2 tonnes. Twelve months to date: Tin 383 tonnes. Columbite 9 tonnes. Same period 1974: Tin 475 tonnes. Columbite 12 tonnes.

Goods listed for voluntary price restraint scheme

BY DONALD MACLEAN

THE ITEMS in the scheme of selective price restraint agreed on a voluntary basis between the Government, retailers, manufacturers and service industries are listed below. The list covers items on which there is to be a 5 per cent. limit on price increases over six months, unforeseen circumstances apart. It takes effect in the shops on Monday.

Parallel agreements cover fresh food and petrol at the wholesale, though not pump, level. Under a fresh food scheme, excluded from the plan because of seasonal factors, food retailers will keep down margins on one red meat, one additional protein (which could be red meat), one fruit and one vegetable during the period of the scheme.

PRICE CHECK

Summary of U.K. Produced Goods and Services Included in the Selective Price Restraint Scheme

FOOD AND DRINK

Standard Bread (Great Britain only)
Liquid milk
Granulated sugar (2lb or 1 kilo bag)
Frozen peas
Many buiscuits
Sweets and chocolates*
Tea (in packets)
Cornflakes and some other breakfast cereals
Blackcurrent health drinks
Beer, including stout and lager*
Cider

CLOTHING, FOOTWEAR AND TEXTILES

Women's and girls' dresses, blouses, coats suits, slacks, skirts
Men's and boys' jackets, trousers, suits, shirts
Infants' and children's coats, dresses, trousers, romper-suits
Knitwear
Some lines of adults' and children's footwear
Curtain materials
Clothing materials
Sheets
Towels

FURNITURE

Most domestic furniture
Most beds and mattresses

TOILETRIES

All household soap
Smaller sizes of:
Toilet Soap
Toothpaste and other domestic toiletries
Some razor packs and blades
A wide range of proprietary medicines
Women's sanitary protection (tampons)

DOMESTIC APPLIANCES

A wide range of cookers, washing machines, dryers, irons, vacuum cleaners, kettles, electric blankets, refrigerators, freezers
Domestic sewing machines

FUEL

Domestic Gas Tariffs (Britain only)
Central heating oil
Paraffin

DO-IT-YOURSELF

Paint and varnish
Wallpapers (not vinyls)
A range of electric and manual tools

TOBACCO

Cigarettes*
Most pipe and hand-rolling tobacco*

OUT-OF-DOORS AND LEISURE

A range of electric and manual garden tools
Cheaper cameras and mist films
A wide range of prams and push chairs
Many toys and games
Budget-priced LP records
Many car batteries
Some bicycles

OTHER GOODS

Electric light bulbs (60 watt)
A range of stationary and kitchen paper products
Matches
Heat resistant glass ovenware
Most popular weekly magazines, Scottish weekly newspapers and some monthly magazines
Most books in publishers' stocks

SERVICES

Inland letter post up to 100 grammes
Telephones and telegrams
Laundering and dry-cleaning of children's clothes
Cinema charges for children's matinees and concessionary prices for pensioners

* Weighted average basis for the category as a whole.

Author... pay £1,... damage...

MR. WILLIAM HA... and the publishers ... My Queen and I are ... libel damages to a ... Nationalist, Mr. Ed... Millward.

In the High Court ... Hamilton and Qu... apologised for libel... ward, a former vic... Plaid Cymru, who t... Charles in Welsh ... investiture as Princ... 1969.

Mr. Gordon Bis... Millward, told Mr. ... that Mr. Hamilton ... in his book that, at ... Mr. Millward was ... Prince, Plaid Cym... engaged in terrori... planting bombs.

Although Mr. Mil... mentioned by nam... implied that he h... sonally responsib... bombs, the defe... accepted that ther... shred of truth in ... allegations.

Mr. Bishop conti... Cymru is a const... tical party commit... ing its aims by p... cratic means. Nei... ward nor Plaid Cy... taken part in, ad... any way condo... activities of any ... view such activit... same abhorrence ... thinking people fe...

As soon as Mr. M... the matter with the ... ton and the publis... stop any further ... My Queen and I un... tory passage had ...

In addition to pa... they had agreed ... Mr. Millward aga... costs, said Mr. Bi...

Mr. Leon Brit... Hamilton and Q... said they accepted ... tions had been tot... and deeply regrett... caused to Mr. Mill...

Mr. Millward is ... turer in the Depar... Language and Lit... University of Wal... a member of Plaid ... years, was vice-p... 1966 to 1969 an... parliamentary ... Montgomeryshire ... General Election.

APPOINTMENTS

Executive change at Capital & Count...

Mr. James Andrews, on taking up residence in Toronto following his appointment as president of Abbey Glen Property Corporation, has relinquished his appointment as joint managing director of CAPITAL AND COUNTIES PROPERTY COMPANY but remains a director. Mr. Dennis Marler, at *present joint managing director,* becomes managing director.

*

Mr. W. W. Burrows has been appointed by the ROBERT JENKINS GROUP to direct the organisation and development of its export business. He is not export director, as incorrectly stated in a release published in the Financial Times of February 10.

*

Mr. Clark M. Watson has been appointed a director of STENHOUSE SCOTLAND, a regional *company of Stenhouse Reed Shaw.* Formerly an associate director, Mr. Watson now has special responsibility for the company's Glasgow branch. Mr. Gordon M. Burt, previously technical manager in Glasgow, has been appointed a director of Duggan Insurances, a member company.

*

Mr. Robert Horton, general manager of the BP TANKER COMPANY, is to become general manager of BP's corporate policy department and will be succeeded *by Mr. Ron Ilian.* These changes are from July 1.

*

Mr. W. P. Shovelton, presently a Deputy Secretary in the Department of Prices and Consumer Protection, is to succeed Mr. D. F. Hubback as Deputy Secretary (civil aviation and shipping) in the DEPARTMENT OF TRADE on the latter's retirement on February 29.

*

Mr. N. S. Farrow has retired as a full-time executive after 43 years with the FARROW GROUP. He will continue as president, and remain a non-executive director on the group Board.

*

Mr. Christopher G. Mason has been appointed a director of WESTMINSTER DREDGING GROUP. Mr. Mason will remain a member of the group finance and accounts department and retain his present responsibilities.

*

Mr. B. F. Harbourne has been appointed finance director of Yorkshire Imperial Metals, a subsidiary of IMPERIAL METAL INDUSTRIES. Mr. F. J. Benton has been appointed general manager of the fittings division and to the Board from March 1 in succession to Mr. L. E. Powell, who is leaving the company. Mr. A. J. Abercrombie succeeds Mr. Harbourne as finance and management services director of the rolled metals division of Imperial Metal Industries (Kynoch).

*

Mr. H. A. A. Hankey has been elected a director of the ANTOFAGASTA (CHILI) AND BOLIVIA RAILWAY COMPANY and its subsidiaries.

*

Mr. D. W. Savage, managing director of Ashton Containers, has been appointed ... 1976 of the FIBRE... ING CASE MA... ASSOCIATION. ... Methven, assist... director of DRG ... ing, and Mr. ... managing direct... Products, become... Mr. D. W. Payn, ... Association since ... the end of Fe... succeeded by Mr. ...

*

Mr. R. A. O... appointed a m... POWELL DUFF... executive commit... joined the group ... been group pers... since 1971. Last ... a director of ... Group Services.

*

Dr. Brian Wes... appointed techni... TRIST, DRAPER. ... joined the compan... 1, 1975 as gen... manager.

هكذا بالأصل

THE LOCKHEED PAYMENTS

llowing the setting up of an inquiry in Holland, Michael Van Os profiles the man at the centre of the row

The businessman Prince

BERNHARD of the nds, the man in the the current controversy ged Lockheed pay-offs to the company's substan- raft sales in Holland an a decade ago, has ied himself the reputa- the country's top cial ambassador." In foreign travels, either ber of the Dutch Royal or in his capacity as of the World Wildlife at times specifically to Dutch business at the f the Government, has nnections in Dutch commerce and industry ed to be of great value. ince, who is 64, speaks guages fluently. He aw at the universities ne, Munich and Berlin. "working prince," he tly estimated to hold rent functions and e appointments, igned several more in rs on medical advice. nany of his positions e economic and busi- res.

r makes it a secret that ch business interests at f his mind, even when country as member of Family, or even as of the World Wildlife it year, however, there l deal of consternation l when Press reports o said that the Prince discussing the future of Mexican oil sales to ith President Eche- ne Dutch Government vare of the nature of s talks, who was visit- countries as President ld Wildlife Fund.

overnment spokesman is week: "The Prince tiates. He merely sets ts between parties, xcellent knowledge of nerce and industry."

the Prince's better iness interests are in aviation field. Indeed n flyer. He has flown ny aircraft, including Fokker aircraft used by the Royal Family itself. The Prince is member of the supervisory board of the Dutch Fokker aircraft company, and an honorary supervisory board member of its German parent company VFW. He is also a special supervisory board member of KLM Royal Dutch Airlines, and a board member of Hoogovens, Holland's sole major steel company, as well as an honorary supervisory board member of the company's Dutch-German parent company Estel.

He is a good friend of many international business executives—he has been chairman of the Bilderberg conferences of senior decision-makers in politics and business since 1954—but hardly any care to discuss publicly the activities of the Prince. He is generally described as a hard working and energetic man, but, in Labour Party circles in Holland (never great followers of the Prince) one criticism often voiced is that he is "sealed off" and "protected by" business leaders.

Prince Bernhard (right) with oil multi-millionaire J. Paul Getty.

Concerned about the criticism levelled at big Dutch corporations recently by certain Government circles and trade unions, he broke his silence on this subject in Switzerland last week when he reportedly told an international management congress, in a clear reference to Holland: "The petty, unfounded, and therefore unjustified and damaging campaign against free enterprise, which comes from certain circles in the form of sterile and hostile polarisation, must be combatted as strongly as possible." The left-wing daily Het Vrije Volk replied, in a front page editorial that it was "the terminology of a most rancorous entrepreneur."

There was a major political upheaval when the Prince remarked in an interview in 1971 that there ought to be some sort of democratic reform so that Parliament could be sent home for two years while the Government "really got on with the business of governing." He was taken to task for his remarks by the Dutch Government and the former Premier, Mr. Barend Biesheuvel, made a public apology.

As an inspector General of the Dutch armed forces, the Prince is also very well informed about defence developments. He is a member of various advisory councils on the Dutch forces. He is also an advisor to the Defence Minister on a range of issues and he counts among his friends several generals.

Former Defence Minister Mr. Den Toom has gone on record as saying: "The Prince fights hard to obtain the best equipment. But he does not get involved in negotiations." The Prince himself said last year that around one-fifth of his time is spent on defence matters. current and past Defence Ministry officials are adamant that the Prince is never in a position substantially to influence any arms purchase decision-making procedures.

A Government spokesman said that if the Prince did receive any remuneration for his advisory work for large Dutch companies, the money would be channelled to charity.

The German-born Prince has no special office or business staff in the Royal Palace in Soestdijk near Utrecht. His only staff is his (male) private secretary. He had some active experience in business himself many years ago when he was company secretary at the Paris office of the German chemical company I. G. Farben. In the 1950s, the Government showed its confidence in him as a businessman when it asked him to go as goodwill ambassador to North and South America.

His reputation as an unofficial ambassador abroad has clearly meant that he always had to tread very carefully. And, as one former Government official admitted recently, his wide connections and knowledge of Dutch industry and top Government officials also made him an excellent contact for those seeking a two-way flow of information.

'S HISTORY OF CORRUPTION SCANDALS

o grounds for amazement

R DUMINY

TOKYO, Feb. 11.

AS Japanese public ll be in the testimony t witnesses, including tives of the Marubeni npany who will give ion of the lockheed a Parliamentary com- Tokyo next week, it be misconstrued. On of historical prece- is mountainous, the annot have been sur- hat they have heard llar allegations have d at the same sort t irregular intervals the past century.

sive

ne public have high that this or any nvestigation will lay truth of the matter strewn with incon- ries, which petered ations, the obvious scapegoats, and in mysterious deaths. Japanese do have a ct, however, and this strength of copious that tales of cor- have a direct and impact on the of the country, and very possibly on some individual careers, public and otherwise.

In 1948 the Showa Denko scandal, involving allegations of bribery in high places and subsequent attempts to hush up the affair, brought the downfall of the Ashida Cabinet. Since then the Japan Socialist Party which was widely discredited, has not tasted power again.

Only 18 months ago, Prime Minister Kakuei Tanaka chose to resign rather than answer accusations over the misuse of funds and the circumstances in which large sums of money had, over a period of several years, come to be under his control.

Interestingly enough, one of the more specific allegations raised by the Bungei Shunju magazine's famous expose in October 1974, concerned an aircraft deal. It was claimed there might be a connection between a donation by Mitsubishi Heavy Industries to the Liberal Democratic Party, and a decision by the Government not to import military trainers in late 1972, after the official decision had been virtually made. This has been quietly forgotten since Mr. Tanaka took himself off the public stage (though not out of the corridors of power, nor out of the reckoning for future leadership of both party and country.

Now the allegation (or rather, one of them) is that in 1972, a mysterious political initiative was taken, over the heads of the military, to adopt the Lockheed P3C Orion as an anti-submarine patrol aircraft. In this case the National Defence Council had proposed to develop a domestic aeroplane, and in fact even now no final decision has been reached.

Advised

Lockheed's vice-chairman, Mr. A. C. Kotchian, who spent several months in Japan in a successful attempt to sell the wide-bodied TriStar to All Nippon Airways (a deal was announced in October 1972), recently told Senate investigators that large under-the-counter payments had been made in Japan, because he had been advised this was the way to do business in Japan.

In all, Lockheed appears to have paid out $1.45m. for this purpose from 1958 to 1975, and mostly since it engaged Mr. Yoshio Kodama, the Right-wing Member of Parliament, as a lobbyist in January, 1969. While some of this money may have been used for legitimate commissions (as claimed by Marubeni), Lockheed, in testimony to the Senate hearings, said that as much as $7m. went to Kodama and that through him more than $2m. found its way to unnamed officials.

It is of course true that corruption does not surface every day in Japan: you do not think of bribing a policeman, and it is doubtful whether at the lower levels of the public service the concept of "dash"—the name for corruption that is endemic throughout much of South-East Asia—has any place at all. Anyway, the wheels of bureaucracy run exceptionally smoothly without it.

However, the climate changes as you move up the ladder of transactions to those in which large amounts of money are at stake. Of this, too, there is no lack of evidence, though the dissemination of it has at various times been a dangerous activity. Probably the most renowned chronicler was Muto Sanji, a leading businessman-turned-journalist whose revelations in the late 1920s (over the Teijin Scandal) produced the resignations of two Cabinet Ministers and a Permanent Secretary before matters were interrupted by Sanji's murder on a railway platform.

Acquitted

In the Showa Denko case, 37 people were ultimately brought to trial in connection with the circumstances in which a massive official loan was made to the chemicals manufacturer. In October 1952 a former Deputy Prime Minister got a prison sentence. The present Deputy Prime Minister, Mr. Takeo Fukuda, was acquitted.

In 1959 a politician and former senior bureaucrat were among 11 persons sentenced for sharing in kickbacks from Namura Zosen, a shipbuilder.

In 1966 politicians and public servants were again involved in allegations of bribery and fraud in the so-called Kyoka Seito scandal which shook the Liberal Democratic Party Government and was credited wtih the precipitate dissolution of Parliament that December.

One thred which seems to connect such events over a period of 50 years is the essential structure of Japanese political organisation. It is common knowledge that Japanese backbenchers are required to spend considerably more htan htey earn as Parliamentarians, merely to keep up with the day-to-day obligations to acknowledge constituents' births, marriages and deaths with minor gifts or presentations. It is also known that almost without exception they owe fealty to faction leaders within their party.

The extra money has to come from somewhere, and usually most of it comes from faction leaders, who in turn get it largely from secret donations. There can be no doubt that many of those who make such donations expect some quid pro quo. The dividing line between this practice and bribery is necessarily very thin at times.

Japanese 'may call off deal worth up to $1.3bn'

By Jurek Martin, U.S. Editor

WASHINGTON, Feb. 11

LOCKHEED may have lost a Japanese military order worth as much as $1.3bn. because of the disclosures of its payments to foreign officials, according to a report in The New York Times this morning.

The full accuracy of the report, by the newspaper's Tokyo correspondent, was impossible to verify immediately: Lockheed refused to confirm or deny it, and officials of various departments of the U.S. Government withheld comment.

The order was said to be for about 100 Lockheed P-3 anti-submarine aircraft, which would be worth about $13m. each. The order was reportedly tentatively placed last October by the Japanese Defence Agency following a controversial five-year period in the course of which both Japanese and U.S. aircraft manufacturers had hopes of the contract.

Both the Nixon and Ford Administrations, concerned to build up the anti-submarine capability of allied forces in North-East Asian seas, had urged the Japanese Government to buy the Lockheed product. According to The New York Times report: the chairman of the Joint Chief's of Staff, General George Brown, will continue to press this argument when he visits Japan later this month.

However, the newspaper quoted a Japanese official as saying: "We can't buy that plane now. We can't buy anything from Lockheed now." The official was reported as hinting that the Defence Agency had decided on Monday to "delay" its decision.

It was also suggested that other major U.S.-Japanese aircraft deals might be in jeopardy. The Defence Agency is currently assessing which jet fighter to buy from those produced by Grumman, McDonnell Douglas and General Dynamics.

If the anti-submarine aircraft purchase is cancelled, this would have embarrassing strategic consequences for the U.S. Replacement of Lockheed with a Japanese manufacturer could only mean delay, which the U.S. is keen to avoid.

The consequences for Lockheed itself could also be severe if this turns out to be the first of a series of cancellations because of adverse publicity stemming from the payments revelations.

W. German bribes denied

BONN, Feb. 11.

DEFENCE Minister Georg Leber told the Cabinet to-day that a Washington Post report that the Lockheed Aircraft Corporation paid bribes to West German political parties is untrue, a Government spokesman said.

The spokesman said that Mr. Leber based his statement on a report by Mr. Fritz Josef Rath, Defence Minister corruption investigater, from Washington, where he attended Congressional hearings on alleged payments to foreign officials and politicians

"The report that German political parties were bribed was investigated thoroughly and is completely unfounded," a spokesman said. He added that the newspaper charged that such bribes were paid in 1972. He said that the denial by Mr. Rath covered that year only.

The Rath report thus did not cover the 1956-1962 period in which Franz Josef Strauss was West German Defence Minister. Mr. Strauss, head of the Bavarian branch of the Christian Democraticic Party, in a statement published to-day, said that neither he nor his party had received any bribes.

AP-DJ adds from Munich: The Bavarian section of Chancellor Helmut Schmidt's Social Democratic Party called on the Bonn Parliament to-day to probe Mr. Strauss's dealings with Lockheed.

Italian inquiry announced

ROME, Feb. 11.

THE ITALIAN Public Prosecutor's office said to-day that it has opened an inquiry into allegations that Italian officials accepted bribes from Lockheed.

The U.S. Senate Sub-Committee report which investigated Lockheed's dealings to secure foreign sales, arrived at the Foreign Ministry here last night.

The alleged corruption involves payments made by Lockheed to secure the sale of 14 C-130 transport planes to Italy. Two former Defence Ministers are among those named as receiving bribes from Lockheed. Both have denied the accusations. Reuter

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Sales grow by a fifth at Saab-Scania

BY JOHN WALKER

STOCKHOLM, Feb. 11.

IN A preliminary report for 1975, Saab-Scania the Swedish commercial vehicle, automobile and aircraft-manufacturer shows an improvement in group sales to Kr.7.8bn. (£879m.)—an increase of 20 per cent. compared with the Kr.6.5bn. in 1974.

Sales overseas amounted to Kr.3.2bn., compared with Kr.2.7bn. in 1974. Group profits before tax and appropriations showed a slight decline to Kr.338m. compared with Kr.341m. in 1974. The calculated net profit per ordinary share amounts to Kr.32.15 compared with Kr.33.15 for 1974.

Car sales rose by 21 per cent. to a total of Kr.2.6bn. but the Scania division which produces trucks and buses showed an even better performance with sales rising by 23 per cent. to Kr.3.6bn. The aircraft division showed an virtually unchanged sales figure at Kr.855m., while the Datasaab division's sales were up by 46 per cent. to Kr.430m. The inflow of orders amounted to Kr.7bn. and the order backlog — excluding passenger cars — amounted to Kr.5.1bn. at the end of the year.

Parent company pretax profits remain virtually unchanged at Kr.198m. compared with Kr.194m. in the previous year, while net profits will amount to Kr.83m.

The board recommends an unchanged dividend of Kr.11 per ordinary share and Kr.5 per preference share.

Group investments showed an increase in 1975 to Kr.513m. compared with Kr.312m. in the previous year, and was mainly for property, plant, equipment and market organisation.

Greyhound bounds back

FINANCIAL TIMES REPORTER

FOURTH quarter sales at Greyhound Corporation improved from $883m. to just over $1bn. Earnings, however, rocketed from $9.5m. to $24.8m., or from 22c to 57c in earnings per share.

For the full year, Greyhound's turnover increased from $3.5bn. to $3.7bn.—a gain of 6 per cent.

Net earnings, however, rose by no less than 40 per cent., from $58m. to $81.2m. Earnings per share were $1.87 ($1.37).

Greyhound added that last year's published net earnings included losses of 25c per share from discontinued operations. The fourth quarter alone absorbed losses of 11c a share.

Migros loss on Gloeggler

BY JOHN WICKS

ZURICH, Feb. 11.

THE ZURICH-based Migros Bank AG, a subsidiary of the Swiss Migros co-operative, has suffered a loss in connection with its involvement in the German Gloeggler group, the textiles concern which recently announced financial difficulties. The bank, whose assets in Gloeggler are given as about Sw.Frs.23m., does not yet know how much will be lost in the engagement but has put aside over Sw.Frs.8m. of its last year's profits towards covering the possible deficit.

The bank, whose balance sheet total rose by 12.8 per cent. in 1975 to Sw.Fr.1.52bn., shows a net profit for 1975 of Sw.Fr.4.69m (8.02m.) after depreciation and payments to reserves of Sw.Fr.11.04m. (8.48m.); it is to reduce its annual dividend from 10 to 5 per cent.

The overall turnover of the Migros concern, excluding the Migros bank subsidiaries in Zurich and Duesseldorf, rose in 1975 by 5.5 per cent. to Sw.Fr.6.52bn. (6.18bn.), of which a share of Sw.Fr.5.68bn. (5.42bn.) resulted from retail sales of the 12 regional co-operatives, up 4.7 per cent. in value and some 1 per cent. in volume over 1974. Migros expects a further increase in these sales of some 6 per cent. in value and 2 per cent. in volume in 1976 and further raises in real terms of about 2 per cent. per year until 1980.

Other major subsidiaries of Migros are the travel-agency concern Hotelplan, whose turnover rose 14.5 per cent. in 1975 to Sw.Fr.311.2m.; the Migrol filling-station chain with sales higher by 5.7 per cent. at Sw.Fr 298.8m. and the Libris book and record club with sales up 3.7 per cent. to Sw.Fr.87.8m.

Sales jump at Rossignol

BY RUPERT CORNWELL

PARIS, Feb. 11.

THE FAST-GROWING Rossignol Group, the world's largest producer of skis, to-day reported a 21 per cent. jump in sales for the first nine months of its current financial year, well ahead of earlier forecasts of only a 15 per cent growth for 1975-76.

Turnover in the nine months to December 31 stood at Frs.251m. compared with Frs.207m. at the end of 1974. Substantial exports to the U.S. recently mean that Rossignol's share of the world market for skis is likely to reach 19 per cent. against 17.6 per cent. in the 1974-1975 year.

The latest figures of the group coincide with a one for five rights issue increasing capital to Frs.26.5m. and which will raise Frs.44.3m. of fresh money. The prospectus for the share flotation predicted a gross profit below that of sales, but the picture might have changed now that turnover is expanding so rapidly.

The proceeds of the issue will go towards the launch of a first-ever range of tennis rackets from Rossignol — an important and highly promising diversification into an area where techniques built up in the production of skis should be extremely valuable.

According to the prospectus, the world tennis racket market is growing at over 30 per cent. a year in value. By the end of 1974 it was worth some Frs.700m. (£77m.) annually, more than half of which was generated in the U.S. alone. By 1977 Rossignol is confident of becoming the biggest French tennis racket producer and is hopeful of making the business profitable as early as 1978.

ABN plans for France

By Rupert Cornwell

PARIS, Feb. 11.

ALGEMENE BANK Nederland will shortly open negotiations which are expected to lead to an increase in its holding in the important French merchant bank, Neuflize Schlumberger Mallet, to at least a blocking minority of 33 per cent. Following its recent takeover of the smaller Dutch bank Mees en Hope, ABN owns around 28 per cent. of Neuflize Schlumberger Mallet SA, the holding company which controls the bank. A further increase is seen as quite natural by the Paris bank, even though it would first have to be approved by the French Finance Ministry.

Apart from its merchant banking activities, NSM is generally reckoned to be the 15th largest deposit bank in France. Its total balance sheet at the beginning of 1975 stood at Frs.2.85bn., with credit outstanding of Frs.3.27bn.

A second widely rumoured step of closer links between NSM and the main French banking subsidiary of ABN, Banque Jordaan, seems less probable—at least in the reasonably near future.

Should the two link, the Dutch bank would inevitably become the controlling shareholder of the new group. As such it would have to satisfy the fears of the authorities here that too important a slice of the French banking industry might be passing out of national hands.

EIB cuts short-term rate

LUXEMBOURG, Feb. 11.

THE EUROPEAN Investment Bank said that it has decided to cut the rate of interest payable on new loans of up to eight years to 9 per cent. from 9¼ per cent.

The rate for longer term loans remains unchanged at 9½ per cent. All loans were raised to 9¼ per cent. from 9¼ per cent. on July 29, 1975.

A spokesman said that the change reflects the divergence in the bank's own borrowing costs between medium and long-term funds.

Reuter

Kockums decline

KOCKUMS, the Swedish engineering and shipbuilding group, has announced a big fall in pre-tax profits for 1975. Having made an interim profits forecast of Kr.140m. for the year, the group has actually recorded a Kr.90m. profit (1974: Kr.248m.).

Newfoundland Refining debts mounting rapidly

BY PETER DUMINY

TOKYO, Feb. 11.

THE DEBTS of the Newfoundland Refining Corporation, the business that is a large contributor to the Japanese Ataka Trading Company's current difficulties, exceeded $300m. at the end of last November and are mounting at the rate of $10m. a month, according to a report in Nihon Keizai Shimbun. The newspaper quotes an unpublished financial assessment which it says will form the basis of an early decision by creditors about cutting off the refinery's crude oil supply, thereby putting a ceiling on losses.

Ataka said it "cannot comment" on these details, but bankers connected with the affair were prepared to concede that NRC debts are "considerably larger" than the $90m. which was said to be owed to Ataka last December. There are other creditors besides Ataka, but Ataka may be the most open-ended debt since it arises from on-going raw material deliveries.

Five banks committed their support to Ataka last December and subsequently masterminded a strategy for dealing with the situation. This involved, firstly transferring the NRC commitment from Ataka America to a newly-armed subsidiary of the Japanese parent company, Atlantic Trading, and secondly arranging the merger between Ataka and C. Itoh, fomalities of which are now being settled.

At the time it was thought that NRC's fixed assets might be saleable to a major oil company or that some way to operate the refinery profitably might be found. However, as one leading banker puts it, "It now appears there is no solution to the problem of excess refinery capacity on the East Coast."

Mercantile lives up to claims

BY JAMES FORTH

SYDNEY, Feb. 11.

MERCANTILE Mutual Insurance lived up to claims made during the company's successful recent take-over defence, with a 35.9 per cent. jump in earnings for the half year to December, from $A1.2m. to $A1.6m.

The results are a substantial improvement on the full year results for 1974-75 when a $A3.6m. underwriting loss dragged overall profits down to $A0.1m.

The recovery is in line with predictions by Mercantile Mutual during its spirited bid to ward off a $A28m. take-over bid from Australia's largest finance company, Australian Guarantee Corporation.

AGC was forced by a legal technicality to withdraw its bid after Mercantile Mutual proceeded with a one-for-four free issue. Opinion is divided whether AGC will return with a new offer but no action is expected before the bonus scrip goes out to shareholders early next month.

Mercantile Mutual is now well on the way to meeting its forecast that profits for the full year will be substantially higher than the previous record of $A2.59m. in 1972-73.

Last year results were hit in the second half by Reinsurance commitments in respect of cyclone losses and a substantial increase in the provision for workers' compensation claims. The company does not expect results will be affected in the same way this year.

The interim dividend is held at 8 cents a share—as promised—and will be paid on the enlarged capital.

Margins fall at Primrose

FINANCIAL TIMES REPORTER

Group turnover at Primrose Industrial Holdings rose to R18.6m. from R13.8m., a gain of 35 per cent. in the first six months to end-December. Group profits, before tax, were R3.1m. (R2.7m.) and earnings were R2.5m. (R2.2m.), a rise of 16 per cent. Earnings per share improved to 23.9c from 20.6c.

An interim dividend of 8 cents per share (last year 5 cents) will be payable to shareholders on or about March 29, 1976.

The easing in margins is due to two main factors. First, there was a savage increase in costs of machinery spares and petroleum products on which no recovery could be obtained until the beginning of January, when some relief was granted by the price controller. Secondly, the Cape operations, acquired effectively in mid-1975, generated substantial turnover but have been slow to come up to normal profitability.

The construction market has also maintained the weak trend evidenced as long ago as September, 1974, but marketing efforts may have increased market share.

Negotiations have just been concluded with Samancor for the sale by Primrose of Delmas Silica. This sale will involve an immediate cash payment of R3.5m. with a further R0.5m. to be paid monthly in equal instalments during 1976. A satisfactory capital profit has arisen from this sale. The effect of the sale will be to increase asset value by approximately 20 cents per share and reduce earnings by approximately two cents per share on an annual basis.

The market outlook is difficult to forecast and there seems no reason to expect any marked up-turn in the market before the end of 1976. But no dramatic deterioration will occur it is hoped from present trading levels. The decrease in interest rates in New York and London is one enouraging sign, as it may be followed through in local markets.

Barring unforeseen disasters a final dividend of 16 cents per share, making a total of 24 cents per share for the financial year, should be paid.

Mixed results from BHP subsidiaries

BY JAMES FORTH

SYDNEY, Feb. 11.

TWO MAJOR industrial associates of Broken Hill Proprietary, Australia's largest company and sole steel producer, to-day reported conflicting profit trends in the half-year to December.

ARC Industries (steel reinforcement and welded fencing), lifted earnings by 20 per cent. but Tubemakers of Australia (pipe manufacturing) suffered an 18.7 per cent. fall in profits.

BHP itself last week reported a 48 per cent. drop in profits for the November half from $A59.8m. to $A31m.

BHP owns 43.75 per cent. of Tubemakers. British Steel Corporation and Tube Investments of the U.K. own another 43.75 per cent. between them and the public holds the remaining 12.5 per cent.

Tubemakers profits dropped from $A7.58m. to $A6.17m., despite a marginal increase in sales from $A136.8m. to $A137.7m. The company said this was largely due to the effects of inflation.

The directors consider there will be no immediate increase in production, which is dependent on the rate of the general economic recovery. During the period under review Tubemakers' workforce was reduced by 600 to 6,900.

Despite this decline interim dividend is held at 3 cents a share. ARC however, has increased its interim dividend from 3.75 cents a share to 4 cents, after profits for the half year rose from $A2.3m. to $A2.8m.

Sales increased 8 per cent. from $A47.6m. to $A51.2m. BHP owns 32 per cent. of ARC's capital. It had been steadily picking up shares for two years but last June, it was asked to stop buying by the Trade Practices Commission while the TPC considered whether continued acquisition would restrain competition.

ARC was later prevented by the TPC from proceeding with a takeover offer for Cyclone of Australia because the Commission felt BHP's ARC holding would result in a substantial lessening of competition.

CIT-Alcatel sees higher profit

PARIS, Feb. 11.

CIT-ALCATEL consolidated net profit for 1976 should rise to Frs.130m. (Frs.106m.) and net cash flow to Frs.300m. (about 243m.), said President Ambroise Roux.

CIT-Alcatel does not normally issue consolidated figures and the 1975 figures are approximate.

M. Roux forecast parent company net profit to reach Frs.90m. this year (Frs.74m. excluding capital gains), on higher net turnover of Frs.3bn. (Frs.2.4bn.) with cash flow rising to Frs.200m. (Frs.160m.). The company is a member of the Cie Generale d'Electricite (CGE) group.

Annual industrial investments in the period should reach Frs.130m. for the parent company, Frs.70m. for subsidiaries and Frs.50m. for companies in which CIT-Alcatel has a minority holding.

Financing of total investments should be easily assured, with self financing running at around Frs.350 to Frs.360m. per year in the period.

Reuter

Lafarge payout

LAFARGE SA should pay an unchanged total dividend for 1975 of Frs.15 with group net profit for last year estimated around Frs.120m. (Frs.101m.), said company president Olivier Lecerf.

M. Lecerf added that 1975 net consolidated turnover should be around Frs.5.3bn. (4.85bn.).

Canada Cement Lafarge Inc. should record a 1975 profit close to the 1974 $23.2m., a figure which would have been higher but for a two-month strike in 1975, M. Lecerf said.

M. Lecerf said four factors enable the company to view 1976 with confidence—the recovery of the U.S. economy, the satisfactory situation of its overseas activities, the impact of the French government's economic plan and the improvement in discussions with the authorities over cement prices.

M. Lecerf intends to expand the company's more profitable activities, especially in the plant design and technical assistance sector, and investments between now and 1980 should reach Frs.4bn. Of this Frs.3.8bn. will be in industrial investment, chiefly covered by self-financing.

Reuter

SELECTED EURODOLLAR BOND PRICES

MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	102¼	102¾
Ashland 8pc 1987	93¼	94¼
Austraswiss 8pc 1987	93	94
Borregaard 8½pc 1989	96¼	97¼
Broken Hill 10pc 1990	104¾	105¼
Carrier 8pc 1987	92¾	93¾
Conoco 8pc 1986	99½	100¼
Consol. Foods 7½pc 1991	91	92
Cutler Hammer 9pc 1987	93	94
EIB 9½pc 1985	101½	102½
Erap 9¾pc 1985	101¼	102¼
Esso 8pc 1986 Nov.	100½	101¼
General Cable 8½pc 1987	91	92
General Motors 8½pc 1986	103½	104½
Granges 9½pc 1985	99½	100½
GTE 8½pc 1986	97½	98½
New Zealand 9½pc 1982	102¾	103¾
Pacific Light 8pc 1986	94½	95½
Prov. of Quebec 7½pc 1989	88½	89½
Quebec Hydro 8½pc 1989	99	100
Queensland 8½pc 1987	92½	93½
Scanraff 8½pc 1988	98¼	99¼
Shell 8pc 1986	99¾	100¾
Stand. Oil (Ind.) 8½pc 1988	100½	101½
Tenneco 7¾pc 1987	90½	91½
Transocean 8pc 1986	99¾	100¾
Utah 8pc 1987	95½	96½
Volvo 9½pc 1985	101½	102½
NOTES		
Air France 9¼pc 1982	101¾	102¾
Ardal 9½pc 1980	101½	102½
Australia Ind. 10½pc 1981	103¼	104¼
Barclays 9½pc 1982	100½	101½
Cie Nat. Rhone 10pc 1982	103½	104½
Du Pont 7½pc 1978	101½	102½
Esso 7½pc 1978	100½	101½
General Motors 8½pc 1978	100½	101½
Montreal 9¾pc 1981	101½	102½
Nippon Steel 9½pc 1980	102½	103½
Norway 9pc 1980	102	103
Skandinaviska E. 10½pc '81	105	106

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	57½	59½
Ashland 5pc 1988	81½	83½
Beatrice Foods 4½pc 1992	95	97
Beatrice Foods 4½pc 1993	102½	104½
Borden 6pc 1992	94	96
Broadway Hale 4½pc 1987	75	77
Canon Camera 7½pc 1989	[illegible]	107
Carnation 4pc 1987	82	84
Chevron 5pc 1988	102	104
Dart 4¾pc 1987	89	91
Eastman Kodak 4½pc 1988	121	123
Economic Labs. 4½pc 1987	82	84
Eidal 7½pc 1989	80	85
Fed. Dept. Stores 4½pc '85	128	130
Firestone 5pc 1988	92½	94½
Ford 6pc 1986	92	94
Ford 5pc 1988	81	83
General Electric 4¼pc 1987	88	90
Gillette 4¾pc 1987	78	80
Gould 5pc 1987	88	90
Gulf and Western 5pc 1988	94½	96½
Harris 5pc 1992	77	79
Honeywell 6pc 1986	82	84
ITT 4½pc 1987	71	73
Komatsu 7½pc 1990	106	[illegible]
J. Ray McDermott 4¾pc '87	134	136
Mitsui 7½pc 1990	106½	[illegible]
J. P. Morgan 4½pc 1987	115	117
Nabisco 5½pc 1988	95½	97½
Owens Illinois 4½pc 1987	99	101
J. C. Penney 4½pc 1987	85	87
Pioneer 6½pc 1988	214	217
Rank 4½pc 1990	49	51
Revlon 4¾pc 1987	100	102
Sperry Rand 4¼pc 1987	98½	100½
Squibb 4½pc 1987	85	87
Texaco 4½pc 1988	75	77
Toshiba 6½pc 1990	102½	104
Union Carbide 4½pc 1982	124	126
Warner Lambert 4½pc 1987	85	87
Warner Lambert 4½pc 1988	81½	83½
Xerox 6pc 1988	76	78

Source: Kidder Peabody Securities.

Pan Am optimism

PAN AMERICAN World Airways expects its loss for the first quarter to be less than the loss a year ago of $59m. ($1.44 a share).

Last year's first quarter was the worst in the company's history.

Although Pan-Am should lose money for the first five months of 1976, due to the seasonal nature of its markets, there is a reasonable chance that the company could break-even or show a profit for the full year if world economies improve sufficiently.

In 1975, the company lost $46.1m.

Washi Post in the bla

By David Bell

WASHINGTO

THE WASHINGTC —which is still g the newspaper revenue during quarter of last paper continued to throughout the dispute.

Announcing results to-day, th Post Company, wh TV stations, News local paper, as Washington Post. Post's net incom $0.8m. lower than been because of further $0.7m. wa of a strike at paper mill in Can company owns Bowater.

The eight uni continue to resi ment attempts to to sign new cont are still going on pany said that it all but the press the paper, will ev The pressmen refusing to ag changes in their have now been some 110 non staff.

Mr. Mark general manage during the comin on labour costs in should exceed earnings lost du up to the end of earnings of th Post Company amounted to $1 to $14.4m. the ye represents earni $1.19 in the fou earnings of $2.5 the whole year.

Urugu gold backi

URUGUAY has $45m. of its $13 Euromarket lo August, a direct Bank of Urugua Diano said.

The amount under the credi to the free mar 960,000 ounces o has placed with of Switzerland told Reuters. of around $131 a is worth about $

Mr. Diano sa think Uruguay gold-backed loa the gold price Uruguay could amount of gold collateral or dra than originally

Uruguay's go around four mil loan's draw-dow to August, 1977.

Mr. Diano wa signing ceremon the $26.5m. Euro-credit for state owned oil

Earning soar at Rothma Australi

By Our Own

SYDN

ROTHMANS o (Australia) (cig lifted earnings from $A1.24m. the half year to

The company owned by Rothm The results repr tial recovery fo Earnings fell 50 first half year full year profits to $A2.97m.

The main pro was inability increases from fication Tribunal recovery in the mostly due to granted by the

New stock ex tions have force to disclose sales first time. These over rose 10.7 $A11m. to $A12

Despite the Rothmans said tobacco products erratic" during months under th steep increases wealth excise d

Nevertheless expects higher full year. The dend is held at in line with last 18 cents.

-takin

Indices

SHARE IN

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WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Profit-taking checks rise: up 3.15

OUR WALL STREET CORRESPONDENT

NEW YORK, Feb. 11.

UPWARD movement con- on Wall Street to-day, h the rise was checked by aking.

rising 5.51 to 974.26, the Jones Industrial Average 1 3.15 up at 971.90. The All Common Index further ed 20 cents to $53.76, while ed losses by 968 to 563. volume expanded another shares to 32.3m.

market rallied at the outset ectations of a steady im- ent in the economy this d abating inflation.

from optimism about the onomic outlook, investors heered by the recent of bullish Corporate ments, including a number er than expected fourth earnings statements, stock nd increases in quarterly ls.

analysts said investor was cooled a bit by con- leterioration of the winter crop and sharply rising futures prices. Dust and drought in Plains nd a two-week holdback h Dakota farmers protest- prices were cited.

Steel were off $1¼ to $81, its proposed 3-for-2 stock

so put on another ⅛ to its sharply higher year

Container advanced $1⅛ to higher fourth quarter net. Resources fell $2½ to $18½, sharply lower fourth net.

slipped $1⅛ to 58⅞— for the year are expected down sharply." It will nd a first quarter divi- 5 cents.

Power gained $⅜ to $17⅞ h quarter net of 49 cents against one cent.

Chemical were lifted $2⅜

Oil jumped $3⅛ points to hile Ethyl added $2⅜ at

McDermott picked up $2½ to $46½, following arnings.

Resources and Chemical to $18½ after Beker s said it is not planning for the shares.

ed Aircraft lost $1 to

merican SE Market Value oved up 0.53 to 98.82, vances outnumbered de- 465 to 297.

Golds rflected higher bullion prices and rose close to seven points on index.

Placer Development firmed $¾ to £21, despite trimming its dividend.

Abitibi Paper improved $⅜ to $12¼.

PARIS — Higher in active trading.

Most sectors rose, but Motors, Metals, Oils and Chemicals lost ground. Food and Electricals firmed.

CIT-Alcatel gained ground on higher 1975 group results, while Moulinex firmed on reports of a possible stock split.

ITT led Americans higher. International Oils and Germans also firmed, Dutch and Canadians were steady, while Golds and Coppers improved.

BRUSSELS — Market rose sharply in active trading.

French stocks were mixed, while Golds and most other Foreign stocks rose.

AMSTERDAM—Very steady.

Dutch Internationals firmed, as did Shippings and Insurances. KLM moved up Fls.8.80 to Fls.128.8 and Eveviers Fls.5.5 to Fls.513

Plantations were steady to lower, Banks steady to firmer, while Stores were mixed.

Robeco held at Fls.199.5 on its unchanged final dividend.

State Loans were maintained.

GERMANY—Narrowly mixed to lower as currency unrest discouraged investors.

Commerzbank rose DM3 but Siemens fell DM2.50.

Bonds were up to 0.25 points higher. The Authorities sold DM7m. nominal worth of stock. Mark Foreign Loans were mixed.

SWITZERLAND — Generally slightly higher, but activity was rather limited.

Banks were steady, while Financials were somewhat irregular.

Oerlikon-Buehrle Bearer hit a new high—its subsidiary Contraves will get a "big military contract" from the Swiss Government under the new Economic Programme.

Gains predominated among Industrials, with Fischer advancing Sw.Frs.40 to 700—it recently won a Soviet order worth about Sw.Frs.50m.

State Bonds were very steady in quiet dealings.

Dollar stocks moved higher, while Dutch Internationals and Germans were very steady.

MILAN—Market eased over a broad front in fairly active trading, reflecting end-Account considerations.

Bonds were irregular in thin trading.

OSLO—Industrials were slightly irregular, while Banks, Insurances and Shippings were quiet.

VIENNA—Very steady. Leading Banks and Insurances improved slightly.

COPENHAGEN — Mixed, but with the firmer undertone in active trading.

HONG KONG—Lower in slightly decreased trading.

Hong Kong Bank were down 60 cents to $HK20.60, Hong Kong Land 5 cents to $HK8.10, Hutchison 2½ cents to $HK2.45, Jardine 30 cents to $HK25.40, Hong Kong Electric 2½ cents to $HK4.625, Hong Kong and Kowloon Wharf 10 cents to $HK16.10 and China Light 10 cents to $HK18.90.

TOKYO—All markets closed yesterday, National Holiday.

JOHANNESBURG—Gold shares were harder but off the top. Interest centred around Free State Mines and "Heavyweights."

Mining Financials also firmed. Platinums were easier, with Bisplat off 3 cents at R1.12. Coppers were marginally easier.

Industrials were quiet.

AUSTRALIA—Almost all sectors were firmer under renewed support. The firmness was in the wake of the Treasury decision to reduce the Government Bond rate, while the reintroduction of the Superphosphate bounty buoyed Pastorals and Chemicals.

Among Minings, Pancontinental were up 50 cents at $A14.30, and Peko-Wallsend 6 cents at $A5.10.

Robe River finished 2 cents off at 98 cents, after rising 10 cents to $A1.10 on news that Hancock Bond Corporation would sell its interest at $A1.38 a share.

Bougainville rose 2 cents to $A1.07, despite the sharp downturn in profits.

Ocean Resources put on 4 cents to 38 cents.

Bank of NSW gained 18 cents to $A6.70.

OTHER MARKETS

la higher

an Stock Markets also d to move ahead yester- Base Metals favoured. indising issues gained Beverages and Construc- owed strength, as did d Papers.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Feb. 11	71.28	202.73	971.90	89.31	32,300
10	71.21	200.41	968.75	88.60	27,660
9	71.22	199.94	957.18	88.47	25,340
6	71.16	198.36	954.80	89.82	27,360
5	71.23	199.82	964.21	91.13	33,780
4	71.16	201.98	975.62	91.90	38,270
3	71.16	199.43	972.61	91.28	34,080
2	71.21	199.05	971.35	91.00	24,000
Jan. 30	71.26	199.35	975.28	90.87	38,510
29	71.20	196.06	968.75	91.07	29,800
28	71.13	195.84	951.35	90.55	27,370
27	70.92	197.26	957.61	90.75	32,070
26	70.94	197.26	961.61	90.85	34,470
23	70.90	197.38	953.98	90.82	33,640
22	70.85	195.57	963.48	88.98	27,420
21	70.83	195.77	946.24	90.24	34,470
20	70.75	197.42	949.88	90.38	36,690
19	70.67	196.05	943.72	90.30	29,450
1975-76 High	71.28 (11/2/76)	202.73 (11/2/76)	976.62 (4/2/76)	91.99 (4/2/76)	—
Low	66.16 (3/1)	146.47 (2/1)	852.04 (2/1)	72.92 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	38,510 (30/1/76)
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Feb. 6	Jan. 30	Feb. 7, 1975
3.91	3.88	5.36

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975-76 High	Low	Feb. 11	Feb. 10	Feb. 9	Feb. 6	Feb. 5
54.24 (4/2/76)	37.06 (2/1/75)	53.76	53.56	53.18	52.87	53.44

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,912	1,048	482	380

	Feb. 11	Feb. 10	Feb. 9	Feb. 5	Feb. 4
New Highs	275	163	142	220	587
" Lows	one	two	one	two	nil

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975-76 High	Low	Feb. 11	Feb. 10	Feb. 9	Feb. 6	Feb. 5
98.82 (11/2/76)	62.20 (2/1/75)	98.82	98.29	97.58	97.18	97.34

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Feb. 10	112.75	100.47
" 9	111.73	99.62
" 6	111.53	99.46
" 5	112.55	100.39
" 4	114.31	101.91
" 3	113.47	101.18
" 2	113.12	100.87
Jan. 30	113.10	100.86
1975-76 High	114.31 (4/2/76)	101.91 (4/2/76)
1975-76 Low	77.71 (8/1/75)	70.74 (8/1/75)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Feb. 5 1976	Jan. 29 1976	Feb. 5 1975
Ind. Ord. yield pc	3.30	3.42	4.34
Ind. Ord. p/e ratio	14.08	13.57	8.84
Long-term Govt. Bds. per cent.	8.81	8.88	8.31

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Itemont	620,800	13	+1
Ramado Inns	484,200	[illegible]	+⅛
Polaroid	397,600	40⅝	−⅛
Pan-Amer. Air.	394,300	5¼	+⅛
Colgate-Palmolive	282,800	30⅞	−⅛
Sony	274,900	8⅝	—
Texaco	270,200	25⅞	−⅛
Gulf Oil	268,900	24⅝	+⅛
Citicorp	263,600	33⅛	+⅛
Braniff Inter.	257,100	12⅝	+⅛

TORONTO

INDUSTRIAL INDEX

Feb. 11	Feb. 10	1975-76 High	1975-76 Low
191.65	190.08	190.59 (15/7)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Feb. 11	Feb. 10	1975-76 High	1975-76 Low
198.22	196.86	205.61 (15/7)	180.03 (2/1)

COMBINED INDEX

Feb. 11	Feb. 10	1975-76 High	1975-76 Low
192.21	190.43	196.00 (12/7)	159.05 (2/1)

JOHANNESBURG

	Feb. 11	Feb. 10	1975-76 High	1975-76 Low
Industrials	214.3	214.6	236.9 (15/7)	189.2 (23/11)
Golds	211.9	203.9	379.1 (13/1)	189.3 (9/12)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Feb. 5	Jan. 29	Jan. 22
On Dividends	5.56	5.43	5.44
On Earnings	9.26	8.97	8.99

SYDNEY ALL ORD. INDEX

Feb. 11	Feb. 10	High 1975-6	Low 1975-6
449.85	444.75	472.05 (25/1/76)	289.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Feb. 10	Feb. 9	High 1975-6	Low 1975-76
334.11	334.37	342.84 (1/2/76)	265.24 (10/1)

HONG KONG INDEX ◆

Feb. 11	Feb. 10	High 1975-6	Low 1975-6
399.82	405.24	434.48 (4/2/76)	160.42 (9/1)

SINGAPORE INDEX §

Feb. 11	Feb. 10	High 1975-6	Low 1975-6
278.80	276.15	296.16 (5/2/76)	163.26 (8/1)

EUROPE

	Feb. 11	Previous	1975-6 High	1975-6 Low
Belg'm (a)	111.93	111.22	113.81 (5/2/76)	89.07 (2/1)
Denm'k (b)	108.15	108.18	107.79 (27/1/76)	73.06 (13/1)
France (d)	70.3	69.7	72.8 (23/4)	51.70 (2/1)
Germ'y (e)	794.5	791.5	797.0 (6/1/76)	573.5 (2/1)
Holland (f)	103.9	103.3	107.8 (6/5)	83.2 (2/10)
Italy (g)	86.88	86.63	108.86 (21/2)	75.41 (17/10)
Spain (h)	93.79	93.80	110.98 (23/4)	91.85 (19/9)
Sweden (k)	415.05	416.10	419.83 (8/2/76)	310.06 (9/1)
Switz'rl'd (m)	296.2	293.9	297.7 (16/1/76)	208.5 (2/1)

Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (n) Unavailable. ◆ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

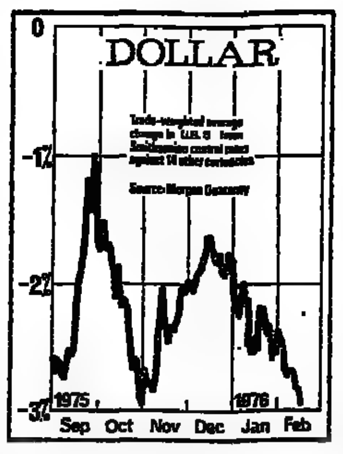
D-mark improves

The West German mark remained at the top of its agreed limit within the European currency "snake" yesterday, while the French franc and Danish krone were under further pressure. Further intervention was reported from the German and French central banks, but news of an agreement between France, Germany and the U.S. on support operations in the foreign exchange market tended to ease some of the speculative pressure. Euro French franc deposit rates were reported to touched 13-14 per cent. in places, but rates were not available for quotation in London last night. The French franc's appreciation, as calculated by Morgan Guaranty, widened to 5.91 per cent. from 5.79 per cent., while the D-mark improved to an appreciation of 17.17 per cent. from 16.68 per cent.

Sterling's trade-weighted average depreciation, as calculated by the Bank of England, widened to a record low level of 30.5 per cent. from 30.4 per cent. previously. It stood at 30.4 per cent. at noon and in early dealings. The pound opened at $2.0275-2.0285 in terms of the U.S. dollar and touched $2.0235-2.0245 before improving at the close to $2.0290-2.0300, a gain of 25 points on the day.

The dollar declined against most other major currencies, and its trade-weighted depreciation, on the Morgan Guaranty basis, widened to 2.96 per cent. from 2.83 per cent. The West German authorities were reported to have given further support to the dollar, but there was no indication of further support for sterling by the Bank of England.

Gold gained $1¼ to close at $130¼-131¼. The krugerrand finished at $134-136 (£66-67) in the domestic market, and its premium over the gold content narrowed slightly to 3.23 per cent. for domestic delivery and to 3.06 per cent. in international dealings.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Feb. 11	Feb. 10
Sterling	0.577960	0.576996
U.S. dollar	1.17164	1.16957
Belgian franc	45.8025	45.9085
Deutsche mark	2.98500	2.98942
French franc	5.21819	5.23419
Italian lira	—	—
Japanese yen	—	352.041
Dutch guilder	[illegible]	[illegible]
Swedish krone	5.12124	5.12330
Swiss franc	3.00819	3.01258

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Feb. 11	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankfu't	—	2.536-537	57.0-10	6.50-505	5.145-150	95.65-75	[illegible]
N. York	39.53-55	—	22.45-47	2.567-570	2.031-051	37.77-79	39.35-35
Paris	174.92-32	4.4487-4587	—	11.39½-42¼	9.052-057	167.80-20	173.7-74.1
Brussels	15.36-39	39.07-10	8.77-79	—	79.17-30	14.710-722	15.23-28
London	5.14¾-15¼	2.029-030	9.03½-04¼	79.05-25	—	5.37-38	5.17¾-18¼
Am'erdam	104.415-465	2.6547-72	59.52-57	6.7906-65	5.373-383	—	103.565-615
Zurich	100.61-76	2.552-554	57.46-49	6.53¼-5460	5.180-185	96.30-41	—

U.S. $ in Montreal. U.S. $=99.54-56 Canadian cents.
Canadian $ in New York $C=100.44-46 U.S. cents. U.S. $ in Milan closed. Sterling in Milan closed.

EURO-CURRENCY INTEREST RATES*

Feb. 11 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	9¼-9½	4⅝-5⅛	7¼-8¼	3¼-4	2⅝-2⅞	⅞-1⅛
7 days notice	9¼-9½	4⅝-5¼	8-9	3¼-4	2½-3	⅞-1⅛
Month	9¾-10⅛	4¾-5¼	8[illegible]	3½-3⅞	3-3[illegible]	⅞-1
Three months	9⅞-10⅛	5⅜-5⅞	8⅛-8⅝	[illegible]	[illegible]	1¼-1⅝
Six months	10⅛-10⅝	6-6⅛	[illegible]	3⅞-4⅛	[illegible]	2[illegible]
One year	11-11¼	6⅝-7⅛	[illegible]	4¾-5	4⅛-4[illegible]	3¼-3⅝

Euro-French deposit rate not available.

Longer-term Eurodollar deposit: two years 7½-7⅞ per cent.; three years 8½-8⅞ per cent.; four year 8¼-8⅝ per cent.; five years 8¼-8⅝ per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one month 4 13/16-4 15/16 per cent.; three months 5⅜-5 7/16 per cent.; six months 5 15/16-6 1/16 per cent.; one year 6 9/16-6 11/16 per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

GOLD MARKET

	Feb. 11 1976	Feb. 10 1976
Gold Bullion (a fine ounce)		
Close	$130¼-131¼	$129-130
Opening	$130¼-131¼	$129¼-130¼
Morning fix'g	$130.40 (£64.322)	$128.85 (£63.614)
Afternoon fix'g	$130.85 (£64.477)	$129.50 (£63.872)
Gold Coins (domestic'lly)		
Krugerrand	$134-136 (£66-67)	$132¾-134¾ (£65½-66½)
New Sov'r'gns	$43¼-45¼ (£21¼-22¼)	$40½-42½ (£21-22)
Old Sov'r'gns	$41¼-43¼ (£20¼-21¼)	$41½-43½ (£20½-21½)
Gold Coins (Intern'nly)		
Krugerrand	$133¾-135¾ (£65¾-66¾)	$132¾-134¾ (£65½-66½)
NewSo'vr'gns	$43¾-44¾ (£21½-22)	$43½-44½ (£21½-22)
Old Sov'r'gns	$40¼-41¼ (£19¾-20¼)	$40-41 (£19¾-20¼)
$20 Eagles	$212-217	$212-215
$10 Eagles	$104-107	$103-106
$5 Eagles	$71-74	$68-71

FOREIGN EXCHANGES

Feb. 11 1976	Bank Rates %	Market Rates Day's Spread	Close
New York	6½	2.0236-2.0305	2.0290-2.0300
Montreal	9	2.0180-2.0215	2.0200-2.0210
Amsterdam	4	5.37-5.40	5.37-5.38
Brussels	†6	79.00-79.50	79.05-79.25
Copenh'gen	7½	12.39-12.44	12.39½-12.40½
Frankfurt	3½	5.14-5.17½	5.14¾-5.15¼
Lisbon	6½	55.00-55.40	55.10-55.50
Madrid	†7	134.10-134.80	134.20-134.40
Milan	7	1,525-1,544	1,540-1,543
Oslo	6	11.15-11.18	11.15¼-11.16¼
Paris	8	9.02¼-9.06¼	9.03½-9.04¼
Stockholm	5½	8.84-8.87	8.85-8.86
Tokyo	6½	607-613	609-611
Vienna	6	36.90-37.50	36.90-37.10
Zurich	3½	5.17½-5.22½	5.17¾-5.18¼

† Basic discounts. ‡ Given rates are for convertible franc; closing financial franc 82.00-82.25.

OTHER MARKETS

			¶Notes Rates
Argentina	159.15-159.25	*Argen'na	270-300
Australia	1.5952-1.6114	Austria	36½-38
Brazil	18.81-18.81	Belgium	81-83
Finland	7.75-7.77	Brazil	22-25
Greece	68.941-71.662	Canada	2.01-2.04
H'ng Kong	10.12-10.147	Denmark	12.40-.60
Iran	139-141	France	9.00-9.25
Kuwait	0.588-0.598	Germany	5.10-5.25
Luxemb'g.	79.05-79.25	Greece	75-80
Malaysia	5.1950-5.2150	Italy	16.20-16.7
N.Zealand	1.9246-1.9408	Japan	6.00-6.40
Saudi Arab	7.08-7.18	Netherl'ds	5.30-5.50
Singapore	5.0075-5.0300	Norway	11.15-.35
S. Africa	1.7621-1.7697	Portugal	65-70
U.S.—		Spain	135-137
Canada		Switz'land	5.10-5.25
C$1—		U.S.	2.02-2.04
U.S. cents	100.40-100.45	Yugosla'ia	38-40

¶ Based on rates quoted by specialist dealers. ◆ Rate given is the financial rate. * Rate given is Swat Loan and Interest rate. Freight ins. and charges rate 197.93-198.13.

FORWARD RATES

—	One month	Three month
New York	0.90-0.80 c. pm	2.27-2.17 c.pm
Montreal	15-0.05 c.pm	0.35-0.25 c.pm
Amst'dam	3⅝-2⅝ c. pm	9-8 c.pm
Brussels	15-35 c.dis	10c.pm-10c.dis
Cop'nhg'n	5-3 ore pm	7-5 ore pm
Frankfurt	3⅝-2⅝ pf. pm	8¾-7¾ pf pm
Lisbon	par - 100 c.dis	par-175 c. dis
Madrid	50c.pm.-50 c.dis	par-100c.pm
Milan	1½lire pm-1½lire dis	1-4 lire dis
Oslo	5½-5½ ore pm	11½-9½ ore pm
Paris	3¼-4 c. dis	3½-5 c. dis
Stockh'lm	3½-1½ ore pm	7-5 ore pm
Vienna	40-15 gro pm	65-55 gro pm
Zurich	4¼-3¼ c. pm	11½-10½ c. pm

Six-month forward U.S. dollar 4.30-4.20c pm and 12-month 7.75-7.65c pm.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—113¼% (113⅛%)

NEW YORK

Stock	Feb. 11	Feb. 10	Stock	Feb. 11	Feb. 10	Stock	Feb. 11	Feb. 10
[illegible]	[illegible]	[illegible]	Johns Manville	[illegible]	26¼	Reading	2⅛	2⅛
[illegible]	[illegible]	[illegible]	Johnson Johnson	[illegible]	92⅞	Republic Steel	45⅛	44⅞
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Stock	Feb. 11	Feb. 10
Zenith Radio	34¼	33⅛
Chile 3% 1993	87¼	87¼
[illegible]	[illegible]	[illegible]

CANADA

Stock	Feb. 11	Feb. 10
[illegible]	[illegible]	[illegible]

GERMANY ◆

Feb. 11	Price Dm.	+ or —	Div. %	Yld. %
A.E.G.	101.7	+1.7	—	—
Allianz Versich.	418	+5	17	2.0
B.M.W.	272.5	+0.5	14	2.5
BASF	169	+0.6	17	-
Bayer	141	+1	17	[illegible]
Bayer Hypo.	316		18	2.8
Bayer Vereinsbk.	317	—5.5	20	2.9
Commerzbank	206	+3	18	4.3
Conti. Gummi	103.5		—	—
Daimler	356	—1.8	16	2.2
Degussa	255	—1	15	3.7
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MILAN

Feb. 11	Price Lire	+ or —	Div. Lire	Yld. %
Alitalia Priv.	851	—69	—	—
ANIC	795	—10	60	7.6
Assonia Pin.	4,650	—50	150	2.8
Bastogi	1,200	—15	70	5.8
Breda	2,344	—37	155	6.4
Burgo	10,050	—50	200	2.0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRUSSELS/LUXEMBOURG

Feb. 11	Price Frs.	+ or —	Div. Net	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PARIS

Feb. 11	Price Frs.	+ or —	Div. Frs.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMSTERDAM

Feb. 11	Price Fls.	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

Feb. 11	Aust. $	+ or —
Acrow Australia	†0.80	.....
Adelaide Brighton Cement 50c	†1.20	.....
Allied Mnfg. Trdg. Indus. $1	†1.95	—0.07
Ampol Exploration	†0.95	+0.01
Ampol Petroleum	†0.62	+0.02
Assoc. Minerals	†3.0	—0.10
[illegible]	[illegible]	[illegible]

TOKYO ¶

Feb. 11	Prices Yen	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source Nikko Securities Tokyo.

SWITZERLAND ◆

Feb. 11	Price Frs.	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COPENHAGEN

Feb. 11	Price Kroner	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VIENNA

Feb. 11	Price %	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STOCKHOLM

Feb. 11	Price Kroner	+ or —	Div. Kr.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OSLO

Feb. 11	Price Kroner	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

JOHANNESBURG

February 11	Rand	+ or —
Anglo American Corpn.	4.25	+0.05
Charter Consolidated	3.25	+0.05
East Driefontein	10.90	+0.30
Elsburg	2.06	+0.05
Harmony	3.75	+0.25
Kinross	4.95	
Kloof	7.50	+0.30
Potgietersrust Platinum	1.90	
St. Helena	†16.75	
Southvaal	6.65	+0.15
Gold Fields SA	24.25	—0.25
[illegible]	[illegible]	[illegible]

INDUSTRIALS

	Rand	+ or —
[illegible]	[illegible]	[illegible]

SPAIN ▼

February 11	Per cent.
[illegible]	[illegible]

NOTES: Overseas prices exclude $ premium. Belgian dividends are shown after withholding tax. ◆ DM50 denom. unless otherwise stated. ▲ Kr.100 denom. unless otherwise stated. ◆ Frs.500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs; including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. ‡ Traded. § Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

STOCK EXCHANGE REPORT

Equity leaders drift lower after initial mark-up

Index 2.8 off at 400.3, after 404.8—LASMO/SCOT dealings

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jan. 26	Feb. 5	Feb. 6	Feb. 17
Feb. 9	Feb. 19	Feb. 20	Mar. 2
Feb. 23	Mar. 4	Mar. 5	Mar. 16

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Tuesday's modest rally in stock markets proved short-lived yesterday. Overnight firmness on Wall Street prompted a mark up of a penny or so in the leaders at the start and encouraged a few buyers. However, what little demand there was soon fizzled out and thereafter prices drifted lower. Initial gains were replaced by losses ranging to 5 at the close. The lack of follow through support owed much to persistent talk of a large fund raising issue in the pipeline for to-day. Up 1.7 at the best of the day at 11 a.m., the FT 30-share index closed 2.8 down on balance at 400.3. The level of business again left much to be desired; official markings of 6,039 compared with 6,498 on Tuesday and 7,617 a week ago.

Elsewhere, a great deal of the day's interest centred on the first-time dealings in the LASMO/SCOT Oil Production stock units, but even here the amount of activity was disappointing. Opening levels were above those envisaged late the previous evening, and the units made steady progress from 190p to 205p before settling at 192p, but trade generally was only a pale shadow of the volume expected; the 14 per cent. Loans, 1981-83, traded rather more briskly which was contrary to anticipations: from an opening of £32¼, in £50 paid form, they slipped to £30 and then rallied to close at £31½, after £32½.

Unlike the leaders, gains predominated in secondary issues. Rises led falls by seven-to-four in FT-quoted Industrials, while the FT-Actuaries All-Share index hardened 0.3 per cent. to 166.74.

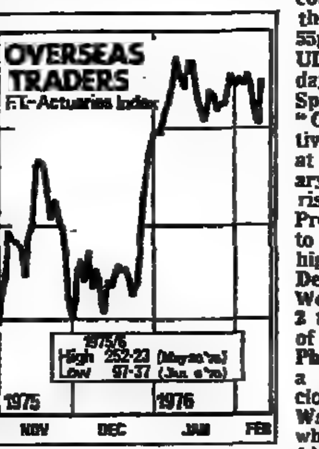
Gilts uncertain

The longer end of the Gilt-edged market illustrated again yesterday its current uncertain attitude by finally losing much of an extended overnight recovery to close only marginally higher. U.S. interest rates hopes seemed to inspire early demand, which gradually lifted quotations by as much as ⅝ in places, but the course of sterling subsequently tempered enthusiasm and a reaction ensued rather quickly. This continued after-hours when longer-dated issues were rarely showing gains of more than ¼, as against ½ at the market close. The shorts became involved with sterling much earlier and improvements extending to ⅛ were finally replaced by losses among low-coupon stocks of ⅛. Revived talk of another sizeable fund raising operation by an equity leader lent some strain to the undertone.

Interest remained at a meagre level in the investment currency market, although institutional business was a shade better than recently. At the close the premium was ⅛ easier at 113½ per cent. Yesterday's SE conversion factor was 0.6034 (0.6008).

Home Banks easier

Still worried by the possibility of Barclays or National Westminster announcing a large "rights" issue in the very near future, the big four Banks turned quietly dull again and generally gave up Tuesday's small improvements. Barclays, 310p, National Westminster, 250p, and Midland, 285p, all receded 3. Comment on the results helped Hongkong and Shanghai, 342p, recover 4 of the previous day's fall of 10 in Overseas issues where Australia and New Zealand gained 6 to 413p. Discounts gave ground, with Cater Ryder, 270p, and Union, 360p, both 5 lower. Leopold Joseph, 8 dearer at 200p, provided the only notable change in Merchant banks, while UDT, in Hire Purchases, closed unaltered at 27p, after 28p, despite the return to profitability in the first-half year.



Apart from Eagle Star, which hardened 2 to 137p, Composite Insurances turned down in slack trading.

A gain of 3 to 135p, after 137p, in Arthur Guinness following the chairman's encouraging remarks at the annual meeting provided the only real price change worthy of note in Breweries.

Buildings had a mixed appearance. Marley responded to Press comment with a rise of 3 to 103p. H. and R. Johnson-Richards Tiles improved 7 to 257p, but SGB provided a late dull spot at 96p, down 3. Breedon Cloud were also unpopular at 84p, down 4.

After improving to 380p, ICI reacted to close unchanged on the day at 375p. Other Chemicals were generally better where changed, William Ransom finishing 2 firmer at 79p on small buying in front of to-day's interim statement.

Burton 'A' firm

Burton provided an active counter in otherwise idle Stores, the Ordinary closing 2 better at 55p and the "A" 3 harder at 54p. UDS, at 92p, held the previous day's rise of 3, but Marks and Spencer declined 2 to 104p. "Gussies" "A" remained a sensitive spot, closing a penny cheaper at 212p, after 215p. Among secondary issues, Spirella revived with a rise of 5 to 81p, in a thin market. Press comment helped Knott Mill to firm a penny to 22p, while higher interim profits took Wades Departmental "A" up 2 to 40p. Weston Pharmaceuticals hardened 2 to 75p in sympathy with a rise of 2 to 77p in bidders Dixon's Photographic. Mail Orders made a better showing than of late, closing with modest gains; MFI Warehouses were 3 up at 45p, while Freemans (London) ended 4 better at 160p and Grattan Warehouses 5 higher at 100p.

Electrical leaders closed with mixed movements. Reyrolle Parsons were in firm fettle at 113p, up 3, and Plessey hardened 2 to 79p, while Philips' Lamp, on Amsterdam advices, put on 1/16 to £10 11/16. However, GEC, 150p, after 153p, and BICC, 125p, both finished a penny cheaper. Elsewhere, Newman Industries, still unsettled by the affray over last year's deal with Thomas Poole and Gladstone China, eased 2 more to 53p. James Scott closed similarly cheaper at 11p, but Racal Electronics recovered 6 to 228p and BSR improved 4 to 113p.

GKN provided a good example of the trend in leading Engineerings, rising to 307p initially and then reacting to 297½p before closing a net 5 lower at 299p. Hawker slipped from 414p to end 2 easier on balance at 408p, while Tube Investments fell 6 to 334p. Secondary issues featured many contrasting movements including Spear and Jackson, 100p, and Pegler-Hattersley, 170p, both up 4. Investment advice concerning growth potential attracted buyers to Fairey, 2½ better at 77½p, and John Folkes Hefo, marginally harder at 23½p, while Samuel Osborn gained 3½ to 63p on Press comment. Weyburn were raised 6 to 508p, but more detailed considerations of the "rights" issue brought T. W. Ward back 4 to 56½p. Blackwood Hodge were quoted ex the "rights" issue, with the old shares at 139p and the new nil-paid at 19p premium.

After Tuesday's late decline on rumours, since denied, of illegal behaviour in its Iranian sugar transactions, Tate and Lyle became a steadier market, but still closed 2 cheaper at 286p following a fair business. Adverse Press comment clipped 2 from J. Sainsbury at 121p. British Sugar contrasted with a rise of 7 to 360p in a thin market; the chairman's annual statement came too late to affect sentiment. In Supermarkets, Kwik Save Discount remained dull, losing 3 at 118p for a two-day loss of 6.

CCH Investments responded to Press comment on the interim report with a rise of 3 to 31p.

Reed Intl. above worst

Another quiet day ensued in the miscellaneous Industrial leaders, which retreated from a firm opening to close with declines of around 5. Rumours of a pending large "rights" offer from Reed International accompanied a fall in the shares to 268p, before rallying to 271p for a net loss of 5 on a reported company denial. Beecham, 339p, after 347p, Glaxo, 375p, after 383p, and Metal Box, 275p, all ended 5 cheaper. Pilkington contrasted with an improvement of 3 to 313p. Elsewhere, the warning that 1975 profits would fail to reach the previously forecast level continued to depress George Wills, 5 cheaper at 38p. RTD Group suffered a reaction of 6 to 36p on the forecast fall in profits accompanying news of the planned conversion of the Preference shares into Ordinary stock, while Aaronson Bros., reflecting the disappointing results, shed 3 to 55p. D. Macpherson, also on preliminary figures, eased 2 to 47p. However, Securicor and Security Services improved 3½ and 1½ respectively to the common price of 57½p in response to the results.

Motors and Distributors closed quietly firm. Wilmot-Breeden picked up 2½ at 40½p, while Lucas, 217p, and British Leyland, 30p, put on 3 apiece.

Thomson made a fresh peak for 1975/76 of 252p before drifting back to close unchanged on the day at 248p, while Bristol Post picked up 3 more to 70p.

Rush and Tompkins rise

The Property leaders continued to attract only a small interest and prices softened after a firm start to finish a shade easier on balance. Land Securities, 183p, after 186p, and MEPC, 83p, after 86p, both recorded net losses of 2. Among secondary issues, Rush and Tompkins, in response to speculative support, improved 4 to 52p. Bradford Property moved up 7 to 146p, while Berkeley Hambro, a reactionary market of late, recouped 3 at 135p. Artagen Properties, still unsettled by the fall in net asset value announced with the results, shed 2 more to 67p for a two-day loss of 11. The South African Sorec followed Tuesday's decline of 4 on the lower interim results with a fresh reaction of 3 to 65p.

The introduction of the LASMO/SCOT "OPS" Units provided the Oil sector with its only real interest. Otherwise the leaders all closed at their overnight levels with British Petroleum at 590p, after having been both marginally dearer and cheaper during the day. Shell ended at 384p and Burmah at 46p.

There was a revival of interest in Lonrho, which closed 7 better at 129p on news that Gulf Fisheries had increased its shareholding to 21½ per cent. with the purchase of an approximate 3½ per cent. stake from Mohamed Al-Fayed and associates.

Dalgety stood out in Trusts and Financials, rising 17 to 238p, after 242p, on the better-than-expected preliminary profits. Challenge Corporation (interim figures due next Wednesday) rose 5 to 165p, while improvements of 3 and 4 respectively were recorded in Charterhouse Group, 59p, and London United Investments, 59p. York Trust edged forward a penny more to 20½p, but New York and Gartmore shed 3 to 33p; the latter's results are expected next Monday.

Tuesday's late statement from European Ferries (unaltered at 74p) to the effect that they intend to persist with their bid approach for Felixstowe Dock prompted a swift rally in the latter which, at 143p, retrieved the previous day's loss of 6.

After the previous day's gain of 3 on the better-than-expected preliminary results, Imps encountered light profit-taking and cheapened 1½ to 85½p. Elsewhere in Tobaccos, Bats lost 5 to 353p.

Greatermans "A" closed 15 higher at 355p in South African Industrials following reports of a £4m. "rights" issue. Dealings were suspended yesterday in Pretoria Portland Cement (210p) and Cape Portland Cement (225p) at the companies' request pending the evaluation of the effect of the recent increase in the price of cement on their published earnings forecasts.

Rubbers were firmer in places on Far-eastern advices; Highlands and Lowlands hardened 3½ to 47½p and Kuala Lumpur-Kepong were similarly dearer at 48p. Following publication of the formal offer documents from James Finlay (2 better at 135p) and McLeod Russel, Teith closed 5 better at 395p as did West Nile at 395p, while Cessnock and Consolidated Tea and Lands were similarly better at 260p and 340p respectively.

Australians firm

Australian mining issues generally gained ground in line with overnight markets in Melbourne and Sydney, which moved higher following that country's Treasury decision to reduce the Governm[ent ...]

Among Uranium[s ...] nental advanced to [...] of a point, while [...] rose 10 to 535p [...] Resources put on [...]

Pacific Copper r[...] following the upgra[...] reserves at the Cad[...] Wales, gold-coppe[r ...] Thiess Holdings fell [...] further consideratio[n ...] posed rights issue [...]

South African [...] recovered all of Tu[esday's ...] in line with the [...] which was finally $[...] $130.75 per ounce [...] the firmness in o[...] markets. The Gol[d ...] gained 4.9 to 223.1.

Among the heavy[-priced ...] West Driefontein [...] Western Holdings [...] both ½ better, wh[...] Brand rose ⅛ to £18[...] priced stocks, Eas[t ...] were 25 higher [...] Doornfontein put o[n ...]

South African-ba[sed ...] were unsettled by f[...] sible confrontatio[n ...] Angolan - South - [...] border. "Johnnies" [...] and General Mining [...] at £22½. De Beers [...] South West Afri[ca ...] advanced 10 to 110p [...] investment demand [...] Platinums tended to [...]

Tins continued f[...] the recent strength [...] Ayer Hitam gaine[d ...] while Gopeng and [...] were both 7 higher [...] 183p respectively.

FINANCIAL TIMES STOCK INDICES

	Feb. 11	Feb. 10	Feb. 9	Feb. 6	Feb. 5
Government Secs.	63.14	63.10	63.27	63.84	64.16
Fixed Interest	62.94	62.98	63.50	64.03	64.10
Industrial Ordinary	400.3	403.1	399.6	407.7	410.0
Gold Mines	223.1	218.2	223.0	222.7	219.7
Ord. Div. Yield	5.32	5.15	5.31	5.11	[illegible]
Earnings Yld % (full)	15.21	15.03	15.13	14.84	14.76
P/E Ratio (net) (a)	9.69	9.80	9.74	9.93	9.98
Dealings marked	6,039	6,498	8,149	7,131	7,410
Equity turnover £m.	—	49.54	55.40	91.87	79.59
Equity bargains total	—	14,309	15,586	20,916	18,749

10 a.m. 404.7. 11 a.m. 404.8. Noon 403.3. 1 p.m. 401.4. 2 p.m. 400.6. 3 p.m. 401.2.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=8.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	49.18 (3/1/75)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2/76)	50.53 (3/1/75)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	417.4 (30/1/76)	146.0 (6/1/75)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5/75)	197.1 (20/1/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

Daily—	
Gilt-Edged	[illegible]
Industrials	[illegible]
Speculative	[illegible]
Totals	[illegible]
5-day Av'r'ge	
Gilt-Edged	[illegible]
Industrials	[illegible]
Speculative	[illegible]
Totals	[illegible]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section. Wednesday, Feb. 11, 1976: Index No.; Day's Change %; Est. Earnings Yield % (Max) Corp. Tax 52%; Gross Div. Yield % (ACT at 35%); Est. P/E Ratio (net) Corp. Tax 52%; Est. P/E Ratio (nil) Corp. Tax 52%. Tuesday Feb. 10, Mon. Feb. 9, Friday Feb. 6, Thurs. Feb. 5, Year ago (approx.): Index No. Highs and Lows Index: 1975/76 High, Low; Since Compilation High, Low.

	Groups & Sub-Sections	Index No.	Day's Change %	Est. Earnings Yield %	Gross Div. Yield %	Est. P/E (net)	Est. P/E (nil)	Tue. Feb. 10	Mon. Feb. 9	Fri. Feb. 6	Thurs. Feb. 5	Year ago	1975/76 High	1975/76 Low	Since Comp. High	Since Comp. Low
1	CAPITAL GOODS (178)	150.60	−0.5	15.56	5.63	9.86	9.85	149.79	150.59	153.11	154.25	94.48	155.06 (30/1/76)	51.78 (6/1/75)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (29)	144.54	+0.9	11.79	5.91	13.21	13.20	145.52	143.65	145.91	146.88	87.95	150.18 (15/1/76)	45.11 (6/1/75)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	241.62	−1.4	14.51	4.05	10.76	10.75	238.52	239.05	240.45	244.62	161.71	258.54 (16/1/76)	74.74 (6/1/75)	389.35 (18/5/72)	71.48 (12/12/74)
4	Electricals (16)	261.12	−0.8	16.71	4.57	8.77	8.77	259.17	261.45	270.34	273.49	176.30	273.62 (2/2/76)	98.49 (2/1/75)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	171.57	+0.5	19.06	5.88	8.55	8.55	170.64	170.59	175.55	177.10	109.97	181.48 (30/1/76)	64.39 (2/1/75)	202.57 (6/5/75)	64.39 (2/1/75)
6	Engineering (General) (63)	135.75	−0.2	16.57	6.24	9.15	9.15	135.99	136.92	136.06	138.55	80.58	138.55 (5/2/76)	46.43 (6/1/75)	168.39 (4/5/72)	46.43 (6/1/75)
7	Machine and Other Tools (9)	56.14	+1.5	15.04	6.57	11.98	11.98	55.31	55.55	55.59	55.59	32.71	56.14 (11/2/76)	20.11 (2/1/75)	136.70 (4/7/68)	19.96 (13/12/74)
8	Miscellaneous (25)	131.09	+1.1	15.54	5.40	9.59	9.59	129.60	129.97	131.59	132.14	84.18	135.69 (30/1/76)	46.66 (6/1/75)	177.41 (27/4/72)	49.66 (6/1/75)
9	CONSUMER GOODS (DURABLE) (56)	131.59	+1.5	14.21	4.75	10.62	10.61	129.95	131.15	133.28	134.15	69.65	134.35 (4/2/76)	38.39 (6/1/75)	237.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	148.11	−1.4	13.07	3.62	11.45	11.45	146.10	147.81	151.05	152.46	62.46	152.60 (6/2/76)	44.29 (6/1/75)	257.41 (19/5/72)	42.85 (12/12/74)
11	Household Goods (14)	178.93	+0.5	13.83	6.17	10.69	10.66	178.35	178.92	181.22	182.43	107.50	182.86 (4/2/76)	64.53 (6/1/75)	265.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	78.16	+1.5	16.22	6.98	9.49	9.49	77.00	77.58	78.28	78.45	35.96	78.58 (4/2/76)	19.91 (6/1/75)	170.89 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	157.64	+0.5	15.13	5.58	11.27	11.15	156.92	157.79	160.33	162.24	112.97	162.24 (5/2/76)	61.98 (6/1/75)	236.06 (16/5/72)	61.41 (13/12/74)
14	Breweries (15)	171.60	+1.0	13.15	5.29	11.41	11.41	169.89	172.78	175.21	176.46	132.43	179.43 (2/2/76)	75.58 (6/1/75)	231.87 (22/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	177.32	+0.7	10.44	5.69	14.54	14.64	176.17	179.66	183.10	183.10	136.01	185.67 (2/2/76)	80.42 (6/1/75)	257.40 (13/7/72)	78.81 (13/12/74)
16	Entertainment, Catering (16)	204.98	+1.5	10.89	5.95	14.69	14.01	201.84	203.96	206.68	208.60	111.72	208.60 (5/2/76)	65.28 (6/1/75)	329.99 (12/12/72)	54.87 (19/7/74)
17	Food Manufacturing (22)	168.22	−0.4	12.95	4.92	10.87	10.80	168.86	169.17	172.18	174.03	115.63	174.03 (4/2/76)	62.03 (2/1/75)	211.66 (1/5/72)	59.78 (11/12/74)
18	Food Retailing (16)	139.88	−0.1	11.55	4.95	12.57	12.57	140.00	140.97	144.11	145.94	108.97	155.88 (10/11)	57.15 (2/1/75)	255.06 (15/8/72)	54.35 (11/12/74)
19	Newspapers, Publishing (15)	181.11	+0.2	12.46	5.58	12.04	12.04	180.74	181.16	181.99	181.91	103.67	181.99 (6/2/76)	56.08 (6/1/75)	230.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	106.25	−0.2	20.81	7.19	7.15	7.16	106.44	107.14	110.02	111.59	80.57	111.44 (4/2/76)	43.46 (6/1/75)	156.69 (26/4/72)	43.46 (6/1/75)
21	Stores (33)	152.83	+0.8	11.29	5.09	15.61	15.59	151.80	152.07	155.32	156.02	101.39	156.24 (2/2/76)	52.63 (6/1/75)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (22)	176.02	+0.3	13.52	6.14	9.52	8.95	175.44	176.34	180.09	180.90	110.36	183.19 (30/1/76)	68.91 (6/1/75)	253.72 (17/9/68)	62.96 (11/12/74)
23	Tobaccos (3)	228.77	+0.4	17.63	6.19	8.64	8.64	227.77	228.53	231.85	236.22	167.96	236.22 (5/2/76)	109.92 (6/1/75)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	63.63	+0.5	21.43	6.94	6.50	6.50	63.28	63.09	62.87	65.38	35.87	63.76 (20/11)	20.92 (6/1/75)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (94)															
25	Chemicals (24)	213.35	+0.4	13.13	4.52	10.68	10.68	212.53	212.96	218.11	219.52	132.71	219.92 (4/2/76)	73.14 (6/1/75)	219.92 (4/2/76)	71.90 (1/12/74)
26	Office Equipment (10)	88.26	−0.1	14.66	5.92	10.04	10.04	88.32	88.37	92.18	91.57	94.05	104.78 (17/4)	45.34 (2/1/75)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	408.01	+0.3	17.71	6.07	7.22	6.94	406.75	406.97	415.06	418.36	317.10	432.64 (30/1/76)	194.36 (6/1/75)	517.00 (9/12/72)	90.80 (29/6/62)
28	Miscellaneous (48)	166.57	+0.5	14.19	6.54	10.38	10.37	166.05	166.58	169.69	170.72	113.72	172.72 (30/1/76)	60.39 (6/1/75)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	159.55	+0.5	13.92	5.47	10.57	10.51	158.75	159.52	162.54	165.86	107.97	164.06 (30/1/76)	59.19 (6/1/75)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	355.86	—	14.98	4.79	7.46	6.67	355.96	355.35	355.50	356.55	208.22	361.71 (3/1/76)	105.86 (2/1/75)	441.65 (29/1/69)	87.24 (29/5/62)
31	500 SHARE INDEX	174.54	+0.4	14.07	5.37	9.96	9.70	173.61	174.14	177.20	178.35	116.03	178.86 (30/1/76)	63.49 (6/1/75)	227.95 (16/5/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	148.11	−0.5	—	4.95	—	—	148.77	144.49	148.56	149.68	108.75	153.46 (30/1/76)	56.50 (6/1/75)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	169.93	−0.3	15.36	4.76	9.41	9.41	170.37	170.42	175.85	181.85	116.63	192.16 (29/1/76)	62.56 (2/1/75)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	177.31	−0.8	—	6.95	—	—	178.74	179.11	183.30	180.78	141.47	186.52 (13/1/76)	84.13 (6/1/75)	293.13 (27/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	123.21	+1.5	—	5.11	—	—	121.52	124.26	127.46	130.36	106.20	134.39 (10/3)	42.81 (6/1/75)	433.73 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	122.58	−0.2	—	5.86	—	—	122.78	123.79	125.66	125.42	94.81	129.46 (30/1/76)	44.88 (2/1/75)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	113.33	−1.2	—	6.05	—	—	114.75	114.89	117.99	117.94	81.91	123.90 (23/6)	44.47 (2/1/75)	165.76 (21/4/72)	43.96 (13/12/74)
38	Insurance Brokers (9)	226.53	−0.1	9.03	4.11	16.70	16.70	226.75	227.59	228.95	230.37	144.55	232.39 (19/11)	68.96 (7/1/75)	262.37 (12/12/72)	65.86 (16/12/74)
39	Merchant Banks (17)	89.37	−0.6	—	6.16	—	—	89.94	90.86	91.68	92.47	71.57	94.97 (7/5)	31.21 (7/1/75)	278.57 (1/6/72)	31.21 (7/1/75)
40	Property (32)	184.79	−0.2	2.48	2.62	77.09	71.58	185.15	187.41	191.06	192.42	174.94	241.22 (22/4)	88.19 (7/1/75)	357.40 (9/11/73)	56.01 (30/4/65)
41	Miscellaneous (5)	91.13	+1.9	14.10	5.96	11.12	11.12	89.44	89.95	90.84	91.26	60.36	91.98 (5/2/76)	34.78 (10/1/75)	303.13 (12/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	176.65	+1.0	2.84	4.07	55.16	55.15	174.82	175.56	178.66	180.74	134.56	184.55 (30/1/76)	73.43 (6/1/75)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	166.74	+0.3	—	5.22	—	—	166.26	166.84	170.10	171.26	114.76	172.64 (30/1/76)	62.16 (6/1/75)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	457.04	+2.4	14.02	7.35	10.95	10.92	446.34	441.20	444.65	448.12	375.19	585.43 (23/5)	281.66 (2/1/75)	565.37 (23/7/73)	84.68 (25/9/65)
45	Teas (9)	123.45	+0.5	38.30	8.39	3.83	3.77	122.85	123.12	124.26	124.59	82.24	124.59 (5/2/76)	76.76 (10/1/75)	184.59 (6/2/68)	69.72 (17/10/74)
46	Coppers (3)	269.02	−0.5	36.74	6.39	2.72	2.72	270.43	269.02	270.43	367.28	424.62	467.74 (27/5)	251.97 (16/12/75)	567.78 (12/7/73)	94.08 (29/4/65)
47	Mining Finance (11)	109.46	+0.5	10.80	4.60	10.47	10.47	108.90	109.19	110.10	110.26	102.33	141.34 (8/5)	80.58 (2/1/75)	175.90 (22/4/69)	66.31 (30/3/74)
48	Tins (8)	91.71	−3.5	13.64	9.85	10.46	9.82	88.59	86.09	86.49	86.32	82.38	114.49 (3/6)	58.91 (5/1/75)	126.45 (12/1/73)	54.83 (27/6/71)
49	Overseas Traders (13)	234.95	+1.9	14.27	4.44	8.97	8.96	230.48	231.68	234.41	236.74	171.87	252.23 (30/5)	97.37 (6/1/75)	252.23 (29/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Wed., Feb. 11 Index No.	Yield %	Tuesday Feb. 10	Mon. Feb. 9	Friday Feb. 6	Thurs. Feb. 5	Wed. Feb. 4	Tuesday Feb. 3	Mon. Feb. 2	Year ago (approx.)	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	Consols. 2½% yield	—	13.61	13.61‡	13.79	13.41	13.31	13.22	13.22	13.04	14.72	—	—	—	—
2	20-yr. Govt. Stocks (6)	51.15	12.74	50.98	51.25	51.92	52.22	52.54	52.61	53.39	47.97	53.65 (30/1/76)	38.27 (3/1/75)	115.42 (11/6/65)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	51.00	14.50	51.15	51.15	51.34	51.46	51.46	51.36	51.26	44.74	51.46 (4/2/76)	37.01 (3/1/75)	113.43 (22/10/65)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	50.16	13.80	50.39	50.39	50.22	50.26	50.29	50.29	50.29	41.94	50.39 (9/2/76)	38.35 (3/1/75)	114.41 (13/9/65)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	69.29	13.68	69.57	69.89	70.58	70.61	70.98	71.05	71.97	60.32	71.97 (2/2/76)	47.67 (6/1/75)	114.95 (7/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Manufacturing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Wines and Spirits	16/1/70	144.75	Mining Finance	29/12/67	100.00
Toys and Games	16/1/70	135.72	All Other	10/4/62	100.00
Office Equipment	16/1/70	162.74			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			

‡ Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p.

CONSTITUENT CHANGE: Brown Bros. Corpn. (Motors and Distributors) has been replaced by Christie-Tyler (Household Goods).

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975/6 high	1975/6 low
LASMO 'OPS' Uts.	10p	11	192	—	205	190
Do. 14% Ln. 1981-3	£50paid	10	£31½	—	£32½	£30
Rank Org. 'A'	25p	10	150	—	203	78
BP	£1	9	590	—	615	190
GKN	£1	9	299	− 5	312	93
Lex Service	25p	9	34	+ 1	35	6½
Metal Box	£1	9	273	− 5	302	109½
Beecham	25p	8	339	− 5	359	116
"Bats"	25p	8	353	− 5	[illegible]	164
Courtaulds	25p	8	158	− 2	169	53
ICI	£1	8	375	—	387	118
Imperial Group	25p	8	85½	− 1½	88	[illegible]
Lonrho	25p	8	129	+ 7	159	68
P & O Defd.	£1	8	112	− 2	128	59½
RTZ	25p	8	197	+ 1	211	80

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 2	Feb. 16	Apr. 29	May 11
Feb. 17	Mar. 1	May 13	May 25
Mar. 2	Mar. 15	May 27	Jun. 9

"Calls" were done in Rio Tinto-Zinc, J. Brown, Cavenham Warrants, Intereuropean Properties, BP, Charterhall Finance, Ladbroke Warrants, Capital and Counties, William Press, Burmah Oil, Howden, Marks and Spencer, Glynwed and Manganese Bronze. "Puts" were dealt in Cons. Gold Fields, Courtaulds and Commercial Union, while "doubles" were arranged in Town and City, MEPC, Samuel Properties, R. and G. Cuthbert and Lonrho.

Industrials							
A. P. Cement	18	Guardian	20	Spillers	5	Shell	25
Assoc. Leisure	5	G.K.N.	22	Tesco	5	Ultramar	20
Barclays Bank	22	Hawker Sidd	35	Thorn "A"	20		
Beecham	28	House of Fraser	8	Tube Invest.	27	Mines	
Boots Drug	12	I.C.I.	21	Unilever	40	Anglo Amer.	30
Bowaters	16	"Imps"	7	Utd. Drapery	10	Charter Cons.	16
B.A.T.	30	I.C.L.	14	Vickers	15	Church'll Fin.	8
British Leyland	7	Inveresk	7	Williams Hud'n	4	Cons. Gold	16
BOC Int.	5½	Legal & General	13	Woolworths	6	De Beers Def.	35
Burton 'A'	7	Ladbroke	11			F. S. Geduld	350
Cadburys	6	Lloyds Bank	22	Property.		Great Boulder	12
Courtaulds	11	"Lots"	5½	Amal. Inv.	3½	Hampton Areas	12
Debenhams	8	"Mams"	6	Brit. Land	4½	Hampton Prop.	4
Distillers	13	Marks & Sp'ncer	10	Cap Counties	3½	Kloof	100
Dunlop	7½	Midland Bank	22	E.P.	8	Lonrho	12
Eagle Star	13	Nat'l West Bank	20	Land Securities	18	Loraine	55
E.M.I.	17	"Do" Warrants	10	MEPC	5½	Poseidon	55
Gen. Accident	16	P & O Dfd.	11	Peachey	5½	Pres. Steyn	200
Gen. Electric	13	Plessey	8	Town & City	3½	Rio T. Zinc	17
Glaxo	35	R.H.M.	6	Town & Comm.	4	Welkom	55
Grand Met	7	Rank Org. 'A'	18			West Areas	40
G.U.S. 'A'	17	Reed Int'l	23	Oils.		Western M'ng	18
		Rothmans	4	Brit. Petroleum	40		
		Slater Walker	4½	Burmah Oil	7		

NEW HIGHS AND LOWS FOR 1975/76

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975-76.

NEW HIGHS (74)

BRITISH FUNDS (1)
Electric 3pc '74-77
COMMONWEALTHS (1)
Aust. 6pc '75-78
AMERICANS (9)
[illegible]
CANADIANS (1)
[illegible]
BEERS (1)
[illegible]
BUILDINGS (4)
[illegible]
CHEMICALS (4)
[illegible]
CINEMAS (2)
[illegible]
STORES (2)
[illegible]
ELECTRICALS (2)
[illegible]
ENGINEERING (9)
[illegible]
HOTELS (1)
[illegible]
INDUSTRIALS (14)
[illegible]
MOTORS (7)
[illegible]
NEWSPAPERS (1)
[illegible]
PAPERS (2)
[illegible]
PROPERTY (7)
[illegible]
TEXTILES (1)
[illegible]
TRUSTS (2)
[illegible]
RUBBERS (1)
[illegible]
MINES (2)
[illegible]

NEW LOWS (1)

MINES (1)
U.C. Invest.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	31	19	8
Corpns. Dominion and Foreign Bonds	24	5	45
Industrials	401	233	1,079
Financial and Prop.	146	87	355
Oils	5	1	28
Plantations	17	1	29
Mines	80	22	49
Recent Issues	13	2	28
Totals	707	370	1,621

BASE LENDING RATES

Allied Irish Ban[ks]
Anglo-Portugues[e]
Henry Ansbache[r]
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Bank of N.S.W.
Banque du Rhon[e]
Barclays Bank
Barnett Christie
Bremar Holdin[gs]
Brit. Bank of Mi[d. East]
■ Brown Shipley
Canada Perman[ent]
Cayzer, Bowater
Cedar Holdings
■ Charterhouse Ja[phet]
C. E. Coates
Consolidated Cr[edits]
Co-operative Ba[nk]
Corinthian Secur[ities]
Credit Lyonnais
G. R. Dawes
Duncan Lawrie
English Transcon[t.]
First London Se[cs.]
■ Antony Gibbs
Goode Durrant T[rust]
Greyhound Guar[anty]
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
Hawtin & Partne[rs]
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Industrial Bank of [Scotland]
Keyser Ullmann
Knowsley & Co. L[td.]
Lloyds Bank
London & Europe[an]
London Mercantil[e]
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westm[inster]
Northern Comm[ercial]
Norwich General
Portman Guarant[ee]
P. S. Refson & Co.
Rossminster Acc.
Schlesinger Limit[ed]
E. S. Schwab
Security Trust Co.
Shenley Trust
Standard Charter[ed]
Sterling Credit
Thames Guaranty
Trade Development
Twentieth Centur[y]
United Bank of K[uwait]
Whiteaway Laidl[aw]
Williams & Glyn[s]
Yorkshire Bank

■ Members of the Acc[epting Houses] Committee.
* 7-day deposits 6½%, 1-[...] 5¾%.
† 7-day deposits on sums of [...] under £25,000 6½%, [...] over £25,000 [...]
‡ Demand deposits 6½%.
§ Call deposits over £1,000 [...]

MONEY MARKET

Very large assistance

Bank of England Minimum Lending Rate 9½ per cent. (since February 6, 1976)

Day-to-day credit remained in short supply in the London money market yesterday and the authorities gave assistance by lending a very large amount, overnight, to seven or eight discount houses at Bank of England Minimum Lending Rate. Banks carried-forward run-down balances, there was a net market take-up of Treasury bills to finance, and the market was also faced with maturing local authority bills, and repayment of Tuesday's official market advances. On the other hand Government disbursements exceeded revenue payments to the Exchequer and there was a fall in the note circulation.

Discount houses paid 9-9½ per cent. for secured call loans in the early part and closing balances were taken at around 8-9 per cent.

In the inter-bank market overnight loans opened at 9½-9¾ per cent. and touched 8⅞ per cent. in places, before closing at about 9 per cent.

Short-term fixed period interest rates remained fairly steady. The three-month sterling certificate yield was quoted at 9 1/16-9⅛ per cent. compared with 9¼-9⅛ per cent. previously.

Rates in the table below are nominal in some cases.

Feb. 11 1976	Sterling Certificate of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury bills Φ	Bank Bills Φ	Fine trade Bills Φ
Overnight	—	8½-9½	—	—	—	9-10¼	8-9⅛	—	—	—
2 days notice	—	—	8⅞-9⅛	—	—	—	—	—	—	—
7 days or 7 days notice	—	9⅛-9⅜	9-9⅛	—	—	—	9⅛-9¼	—	—	—
One month	9 1/16-9⅛	9⅛-9¼	9-9¼	9⅜-9¼	9¼-10⅜	—	8⅞-9	8⅞	9 1/16	10-9⅞
Two months	9 1/16-9⅛	9⅛-9¼	—	9⅜-9⅛	9¼-10⅜	—	8⅞	9-8 29/32	9⅛-9 3/32	10-9¾
Three months	9 1/16-9⅛	9⅛-9¼	9¼	9⅜-9¼	9¼-10⅜	—	8¾-8⅞	8 27/32-8 13/16	9 1/16-9 1/32	10-9⅝
Six months	9⅜-9¼	9⅛-9 5/16	9¼-9⅜	9⅜-9¼	9¼-10⅜	—	—	—	9-8 31/32	10-9⅝
Nine months	9⅝-9½	9 5/16-9⅝	—	10⅛-9½	9¼-10⅜	—	—	—	—	—
One year	9⅞-9 11/16	9⅝-9 11/16	10⅜-10⅛	10¼-9⅝	9¼-10⅜	—	—	—	—	—
Two years	—	—	11¼	—	—	—	—	—	—	—

† Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 11½-11¾ per cent.; four years 12 per cent.; five years 12¼-12⅜ per cent. Φ Bank bill rates in table are buying rates for prime paper, buying rates for four-month bank bills 9-8 31/32 per cent.; and four-month trade bills 10-9¾ per cent. Approximate selling rate for one-month Treasury bills 8⅞ per cent.; two-month 8⅞-8 25/32 per cent.; and three-month 8 27/32-8 13/16 per cent. Approximate selling rate for one-month Bank bills 9 1/16 per cent.; two-month 9-8 31/32 per cent.; and three-month [illegible] per cent.; for one-month trade bills [illegible] per cent.; two-month [illegible] per cent.; and three-month [illegible] per cent.

Finance Houses Base Rate (published by the Finance Houses Association) 11 per cent. from February 1. Clearing Bank Deposit Rate for small sums at seven days' notice 5¼ per cent. Clearing Bank Rates for lending 9½ per cent. Treasury Bills: Average tender rates of discount 8.7501 per cent.

CORAL INDEX: Close 396-4[...]

I.G. INDEX [...]
GOLD 129-1[...]

INSURANCE BASE RATES

† Atlantic Assurance [...]
Cannon Assurance [...]
† Address shown under I[nsurance and] Property Bond table.

FARMING AND RAW MATERIALS

Cocoa and coffee prices down

BY Richard Mooney

COCOA AND coffee prices fell on London markets last night. The sharper decline was in cocoa, which dropped steadily after an opening in line with the light tone in New York.

The falls in cocoa were in the face of stop-loss and chartist selling, which was only partly absorbed by trade buying. Values finished at or near the day's lows, with the May position £12.25 down on balance, at £[illegible]5.5 a tonne.

Although May coffee ended the day [illegible] lower, at £876.5 a tonne, it was near the day's high. An overnight reaction in New York to the recent upsurge was reflected in London, in early dealings.

Dealers later modified their stance, however, in view of the fact that New York prices had reacted more dramatically to the Guatemala earthquake in the first place.

London Robusta coffee dealers remain basically "bullish" and attribute recent losses mainly to profit-taking.

They believe that the market will remain steady over the next few months, but one dealer commented that prices could ease in the short term as roasters are fairly covered.

Consumer group warns of 6% rise in food prices

BY PETER BULLEN

RETAIL FOOD PRICES could rise by 6p in the £ in Britain if EEC proposals to raise farm prices by 7.5 per cent. this year were approved, the Consumers' Association warned yesterday.

But the Ministry of Agriculture abruptly dismissed the association's claim. It said the increase would be less than half that suggested. Whitehall experts believe that the association has based its figures on an erroneous interpretation of EEC statistics and price proposals.

The Ministry said it estimated that the EEC Commission's farm price proposals would increase the retail food price index by 1½p in the £ by the last quarter of this year. Other increases due to the transitional step upwards in U.K. farmers' prices might add a further 1p in the £.

"The Ministry considers the fairest way of expressing the total effect is an estimated increase of ½p in the £ on the cost of living," said an official.

It was also the U.K. Government's policy to seek restraint on increases in Community farm support prices for the coming year, he added.

The Consumers' Association argued, however, that the proposed 7.5 per cent. rise in farm prices (which European farmers and some farm ministers say is insufficient in any case) would result in a rise of over 15 per cent. in farmers' prices in Britain, because of the effect of monetary arrangements and the transitional stage increases.

COPA, the European farmers' organisation, had said that even a 10 per cent. rise in farmers' prices would add only 0.6 per cent. to the retail price index. "It is misleading to relate the impact of farm price rises to all retail prices. Doing so diverts attention from the increase in food prices," said the Consumers' Association.

COPA's estimated 0.6 per cent. rise in the cost of living index, which is in line with the Ministry's estimate, was criticised by the association.

It said the estimate was based on the assumption that only about 70 per cent. of foods were affected by the EEC price proposals. But the association says the figure should be 87 per cent. — which is where it crosses swords with the Ministry of Agriculture.

The Ministry said that, in calculating the effect on consumers, many items such as potatoes, beverages, some fruits and vegetables, margarine and fats were not affected.

Both the association and the Ministry share common ground in attacking the EEC Commission's proposal that Britain abandons its present arrangements for supporting beef cattle prices.

The association also said it was "bitterly disappointed" that the Commission had not stuck to its guns over modifying the Common Agricultural Policy to serve all people's needs, and not just farmers.

It attacked the Commission's "objective method" used to fix prices. "This system only serves to adjust farm incomes upwards and does not achieve the aim of reasonable prices for consumers."

In future, the Commission should publish an estimate of the impact of its proposal on food prices in member countries as soon as possible. "Only when these figures are available can an informed debate take place," said Dr. William Roberts, head of the association's European unit.

Expansion call at farm conference

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

IN SPITE of the help of some prominent personalities, the Farmers' Club's all-day discussion yesterday on the "future of British agriculture" ended with the future just about as hypothetical as it had been at the start.

Sir James Barker, chairman of Unigate and of the Central Council for Agricultural and Horticultural Co-operation, called for full production of temperate food on a Community plan. If surpluses built up they should be exported.

There should be better marketing and British farmers should be as co-operatively minded as their European partners. Questioned on who would buy the surpluses, he cited African countries and others with money they could save on defence.

Sir Henry Plum, National Farmers' Union president, then pushed the case for expansion. He saw no absurdity in the proposition that the British dairy herd should expand by 350,000 —as advocated in the White Paper. "Food from our own Resources"—while the Europeans lost 1m. head as a means of getting the milk surplus under control.

He added, however, that there could be no real confidence as long as the Government persisted with its present taxation policies, the proposed abolition of the service cottage and nationalisation of the land.

An outsider's view came from Mr. Denis Bergmann, from the Agronomic research unit in Paris. He disarmed us by saying that he thought he must have been chosen for his knowledge of English, which was indeed good, rather than his knowledge of our farming situation.

He doubted if progress would necessarily be in the direction of very large farms on the English model. The two-man farm was in many cases, he thought, just as efficient as the very large one.

Rather than the 50,000 farms which could supply Britain's needs, 200,000 would probably do the job just as well and be more satisfactory in human terms.

The only down-to-earth note came from Professor Denis Britton, of Wye College. The Community must take account of the situation in outside countries, he said, and for that reason a fixed quantitative plan was dangerous.

Britain's post-war policy had been a good one because it had been flexible. The price mechanism must be used to control production.

Who would pay for the surpluses or the food aid? Each farmer, in the end, would have to make his own decisions.

WORLD ALUMINIUM STOCKS DECLINE

World stocks of primary aluminium fell to 3,136,000 tonnes at end-December 1975, from 3,178,000 at end-November, and compared with 2,012,000 at end-December 1974, according to the International Primary Aluminium Institute.

Total aluminium stocks, comprising all forms of primary and secondary ingot, metal in process, finished mill products and scrap, fell to 4,803,000 tonnes at end-December, from 4,823,000 at end-November and compared with 3,691,000 at end-December 1974.
Reuter

Good quality boosts Israel citrus prices

TEL AVIV, Feb. 11.

ISRAEL'S CITRUS growers are having an excellent season. Prices are well ahead of last year because of the high quality of the fruit, the result of late heavy rains and low temperatures, which have caused a sharp reduction in [illegible].

Factories are receiving a lot less fruit than during last season, which is enough to operate only at half capacity. Consequently, they have been forced to import far more expensive orange concentrate to meet contractual obligations. But the growers are benefiting from the export of far more profitable fresh fruit.

Exports of fresh fruit to date total 23m. cases, roughly half the total of 47-48m. cases which the Citrus Marketing Board expects to ship abroad this [illegible]

U.K. copper consumption falls

By Our Commodities Editor

U.K. COPPER consumption in 1975 fell by 13 per cent., to 574,257 tonnes, according to figures issued yesterday by the World Bureau of Metal Statistics.

Within the overall total, consumption of refined copper was 9.3 per cent. down, at 450,467 tonnes, but use of scrap copper plunged by 24 per cent., to 123,790 tonnes.

On the London Metal Exchange, copper prices yesterday rallied marginally after the losses of the previous two days, but trade interest remains at a low ebb.

The rise in tin prices continued, the Straits tin price in Penang climbing to over $M1000 a picul for the first time since August last year.

London tin market prices, which are also at their highest level for six months, rose only moderately since it is felt that Malaysian values are basically catching up.

But a notable feature in London is the continued demand for high-grade tin, which has now established a healthy premium over the standard grade.

Silver prices jumped in London yesterday, the bullion spot quotation going up by 6.15p, to 201.1p an ounce, at the morning fixing. The rise reflected the sharp upward move in U.S. silver prices overnight.

● Slab zinc stocks held by U.S. producers rose 9,010 short tons in January, to 98,499, from a revised 89,489 at the end of December, Zinc Institute statistics show. This is the fourth successive monthly increase and compares with 68,127 tons at the end of January 1975.

AUSTRALIAN SUPER PHOSPHATE BOUNTY RETURNS

CANBERRA, Feb. 11.

The Australian Government has reinstated the $11.81 a tonne superphosphate bounty to subsidise fertiliser use by farmers, effective immediately, said Primary Industry Minister, Mr. Ian Sinclair.

The bounty was abolished by the former Labour Government in 1974.

The National Council of Wool Selling Brokers said the move was welcomed by the country's wool-grower organisations.—Reuter.

MEAT SUPPLIES

Beef crisis may be worse next time

BY DAVID EGLI

GENEVA, Feb. 11.

THE NEXT BEEF crisis, forecast for 1978-79, could be worse than that of 1973 unless counter-cyclical measures are taken immediately. A Geneva based research company, Gira, has come to this conclusion after making what it claims to be the widest study of the world meat industry to have been undertaken.

In a summary extracted from the study, the company finds that the main factor influencing the beef market in coming years will be the extent to which the EEC "declares and sticks to a policy of a percentage of self-sufficiency for fresh and manufacturing beef," to give some constancy of target to the key southern hemisphere producers, particularly Australia and Argentina.

It says that the Community will probably be forced to open its gates to imports this year, despite the accumulation of up to 240,000 tons of intervention frozen beef in the EEC. The report castigates past Community policy as "one of short-term reaction to farmer pressure, high reference prices for producers and intervention."

Gira finds that the British system of deficiency payment to farmers and the free movement of retail prices has considerable advantages, although it would be difficult to operate in France and Italy because of farming structures and "mentalities."

Of the four meats studied—poultry, pork, sheepmeat and beef—the largest cyclical price fluctuations are forecast for beef. A plus or minus 35 per cent. movement is expected around an average price which, in constant terms, is likely to decline by 15 per cent. in the next decade, compared with the 1970-75 average.

Inter-zone trade is expected to increase up to 1985, although the influence of the EEC in inter-zone trade is expected to decline after 1980. The beef cycle is expected to lengthen from six to eight years.

Production costs in pork and poultry markets will depend on cereal and soya prices, in which the research company is forecasting stability at pre-1972 levels in constant prices, given the recent developments in U.S. cereals policy and significant production of soya in areas outside the U.S.

The trend towards a more pronounced poultry cycle (three years) will be felt in the EEC, with price fluctuations of plus or minus 10 per cent. The report also warns that poultry prices in constant terms are likely to come down by 20 per cent. up to 1985, unless more is done to introduce added-value poultry products on the market.

Inter-zone poultry trade is scheduled to increase in the short run, but it will tend to disappear over the longer term, since it is easier to trade in soya than in poultry.

Pork cycle

A short-term increase will also be seen in the pork trade, with most growth coming from stepped-up Japanese imports. With growing industrialisation on the fattening side, the pork cycle will tend to lengthen from three to four years.

Prices will fluctuate between plus and minus 20 per cent. around a price axis forecast to decline by some 12 per cent. in constant prices by 1985, partly reflecting further productivity gains.

On sheepmeat, the research company expects further liberalisation of EEC imports, since the influence of French sheep farmers is less than that for beef. The introduction of a common sheep market within the Community in 1978 will probably see a reduction in sheepmeat prices in Continental countries, with corresponding increases in Britain where current retail prices are half those of France.

Apart from the traditional New Zealand-U.K. trade, it is expected that exports will develop strongly to the Middle East, provided oil prices do not collapse.

This diversification will be accompanied by an increase in the relative importance internationally of sheepmeat trading. Exports should rise from 10.9 per cent. in 1973, to 12.4 per cent. by 1985. World prices, in constant terms, will probably increase by some 10 per cent. during the same period.

The meat market study, comprising some 55 reports, was started in March 1973, when beef prices had reached unheard-of levels. It was concluded at a time when the international prices for beef had fallen to one-third of those in 1973.

The main cause of the 1973 crisis, according to Gira was that the beef cycles of EEC countries moved into phase that year. This was exacerbated by heavy slaughtering of dairy cows in Western Europe in 1970-71, encouraged by slaughter premiums provided under the Mansholt plan.

Other contributing factors were the high prices of all cereals for animal feed following the failure of Russia's wheat harvest, the failure of fishmeal production, and the fact that the normal pork cycle coincided with the beef cycle.

Having imported nearly 1m. tons of beef in 1973, the EEC stopped imports in the summer of 1974, "causing enormous damage to Australian and Argentinian beef farmers" who had been encouraged by forecasts of high EEC requirements.

EEC resumes sugar export refunds

BRUSSELS, Feb. 11.

THE EEC Commission this week would re-introduce fixed sugar export refunds which were suspended on January 30, 1974, Commission sources said.

The refunds, which would be set every two weeks for whites and raws, were being brought back because the Community had surplus sugar to sell at world market prices.

They did not affect the EEC's weekly white sugar export tenders for which export rebates or levies were fixed in the light of market conditions on the day of the tender.

The refunds would initially be set at 2.30 Units of Account per 100 kilos for white sugar and 2.12 for raws, effective from tomorrow for a 14-day period, the sources said.

The Commission had, meanwhile, authorised sales totalling 36,000 tonnes, with a maximum export rebate of 5.29 UA per 100 kilos at its weekly white sugar export tender.

● The U.S. Agriculture Department, revising its estimates of USSR sugar output from the 1975-76 sugar beet crop, has put sugar production at 8m. tonnes, against its previous estimate of 7.5m.
Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Edged higher on the London Metal Exchange. [illegible]

TIN—Firmer again in active trading, reflecting the further rise in Penang and European demand, although interest was quieter than of late. [illegible]

LEAD—Gained ground in line with other metals. Prices moved ahead owing to short covering, reflecting physical activity on the Continent and rumours of possible forthcoming producer support. [illegible]

ZINC—[illegible]

[illegible]

SILVER

Silver was fixed 6.15p an ounce higher for spot delivery in the London bullion market yesterday, at 201.1p. [illegible]

COFFEE

Robusta terminal opened steadier, in line with opening forecast. Prices fell during the morning because of lower New York. [illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

COCOA

Prices remained under pressure, with continued liquidation finding only selective buying, reports Gill and Duffus. [illegible]

GRAINS

[illegible]

FREIGHTS

DRY CARGO—[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

MEAT/VEGETABLES

[illegible]

JUTE

CALCUTTA—[illegible] DUNDEE—[illegible] for Feb.-March shipment: BWC £192, BWD £183. Tossa: BTB £201, BTC £197, BTD £184. Calcutta goods steady. Quotations c. and f. U.K. for Feb. shipment: 10-ounce 40-inch £7.28, 7½-ounce £5.61 per 100 yards, March £7.41 and £5.71, April-June £7.61 and £5.83. "B" twills: £22.38, £22.73 and £23.06 for the respective shipment period. Yarns and cloths firm.

LONDON—Quiet. Bangladesh White 'C' grade Feb.-March £195.00. 'D' grade Feb.-March £187.50. A long ton.

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 375 tonnes, bringing the total for the week so far to 742 tonnes. More replenishments were sought especially in American type varieties. Miscellaneous purchases in East African and Middle Eastern qualities accounted for most of the turnover, F. W. Tattersall reports.

★

HIDES—London. Fairly steady but with sizeable quantities unsold. Second clear ox 31-35½ kilos 75.5p per kilo; 26-30.5 kilos 42p; 22-25.5 kilos 45.5p. Light cows withdrawn 40p. No calf offered.

★

COPRA—Philippines: Feb. $195. March $202.50. April $203 resellers per tonne c.i.f. North European ports.

SRI LANKA BUYS PAKISTANI RICE

KARACHI, Feb. 11.

Sri Lanka would import 85,000 tonnes of rice from Pakistan under an agreement signed by the two countries here, said the Secretary-Minister of Food Co-operatives, K. B. Dissanayake.

The quality of the Pakistani rice, shipment of which would begin in March, was good and the price reasonable, he added.
Reuter

PRICE CHANGES

Prices per ton unless otherwise stated.

	Feb. 11 1976	+ or —	Month ago
Cotton 'A' Index	66.9		65.85*
Jute UABWC(d)	£195		£195
Rubber ... kilo	41p		37.5p
Sisal EA3L(n)	$600		$600*
Sugar (Raw)	£156	—2.0	£167
Wooltops 64s ... kilo	218p		210p
Cloves (Madagascar)	£2,550		£2,400
Pepper White ... ton	£925		£960
Black ... ton	£745		£755

* Nominal. † Seller. ‡ Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." § Unquoted. n Seller's quotation. k Jan.-March. u Metric tons. v Sept.

FINANCIAL TIMES

Feb. 11	Feb. 10	Month ago	Year ago
180.67	180.84	177.62	178.86

(Base: July 1, 1952=100)

REUTER'S

Feb. 11	Feb. 10	Month ago	Year ago
1217.8	1217.6	1198.3	1100.8

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Feb. 11	Feb. 10	Month Ago	Year ago
Spot	305.78	305.78	305.28	351.20
Futures	299.56	298.73	289.03	325.06

(Average 1924-25-26=100)

MOODY'S

Moody's	Feb. 11	Feb. 10	Month ago	Year ago
Spte Commodity	775.5	768.7	768.6	798.9

(Dec. 31, 1931=100)

★

GRIMSBY FISH—Supply moderate, demand fair. Prices at ship's side (unprocessed)—per stone: Shelf cod £2.00-£2.50, codlings £1.50-£2.20, large shelf haddock £2.50-£2.40, medium £1.80-£2.10, small £1.50-£2.00, large plaice £1.70-£2.20, medium £1.70-£2.20; Medium skinned dogfish £4.00, large £4.50; rock fish £1.90-£2.40, reds £1.15-£1.30; saithe £1.00-£1.20.

U.S. Markets

Precious metals down

NEW YORK, Feb. 11.

PRECIOUS metals closed lower on aggressive speculative profit-taking, following recent sharp advances. Coffee finished higher on renewed Commission House buying after yesterday's sell-off. Soyabean complex finished lower on profit-taking. Weather remains the main factor in grains. Sugar closed slightly higher on mixed activity and evening-up in front of holidays, Bache reports.

Cocoa—Ghana spot 742 (73½). Bahia spot 792 (71½). March 67.00 (67.90), May 65.90 (64.65), July 61.70, Sept. 59.70, Dec. 57.10, March 59.50, May 53.10, July unquoted. Sales, 1,804.

Coffee—"C" Contract: March 102.40-102.90 (101.35), May 109.60-110.70 (99.90), July 100.60-110.40, Sept. 100.50-100.90, Dec. 100.00-99.50. Sales, 756.

Copper—Feb. 56.60 (53.30), March 57.60 (53.50 settlements), April 56.20, May 56.60, July 57.50 settlements. Sales, 1,346.

Cotton—March 59.57-59.45 (59.30), May 60.55-60.60 (60.60), July 61.20-61.25, Oct. 60.40-60.45, Dec. 58.35, March 58.50-59.00, May 59.00-59.13, July 59.20-59.40. Sales, 3,450.

†Gold—Feb. 129.70 (130.30), March 128.90 (130.30), April 130.10, June 131.20, Aug. 132.40, Oct. 133.70, Dec. 135.10, Feb. 136.50, April 137.90, June 139.30. Sales, 1,140.

Greasewool—Spot 166.0 nom. (165.0 nom.), March 162.0-165.0 (165.0), May 162.5-160.0 (166.5), July 162.5-165.0, Oct. 160.0-65.0, Dec. 160.0-165.0, March 160.0-165.0, May nil.

†Lard—Chicago loose 18½ nom. (19 nom.), NY prime steam 21 bid (20¼ asked).

††Maize—March 266½-266 (267½), May 275½-275 (275), July 277-276½, Sept. 278½, Dec. 271½-271, March 277½.

‡Platinum—April 139-70 (138.50), July 141.90 (140.70), Oct. 143.20, Jan. 146.40, April 148.50, July 151.90-152.10. Sales, 164.

‡Silver—Spot 409.50 (396.50), Feb. 407.30 (410.60), March 408.70 (412.00), Apr. 411.50, May 414.00, July 419.50, Sept. 435.20, Dec. 434.20, Jan. 437.20, March 443.10, May 449.00. Sales, 7,653.

*Soyabeans—March 477½-476 (485¾), May 486-484 (493½), July 493½-492, Aug. 496, Sept. 498-501, Nov. 504, Jan. 512-511½, March 518½, May 524½.

bSoyabean Meal—March 132.30 (135.50), May 136.30-136.00 (137.20), July 138.30-138.50, Aug. 139.50-139.20, Sept. 139.00-139.40, Oct. 130.50-139.70, Dec. 143.50, Jan. 143.00-155.00.

Soyabean Oil—March 16.70-16.75 (17.05), May 16.95-16.55 (17.22), July 17.10-17.05, [illegible]

[illegible]

COMPANY NOTICES

[illegible] Deutsche Mark Bonds 1982 [illegible] BURG and CO. LTD., announce the seventh instalment of nominal value of £551,700 purchased for redemption on [illegible] 1976.

12th February 1976

MORTGAGE BANK OF THE KINGDOM OF DENMARK
[illegible] of 1964 Series XIX [illegible] BURG and CO. LTD., announce the seventh instalment of nominal value of U.S.$500,000 purchased for redemption on [illegible] 1976.

12th February 1976

PUBLIC NOTICES

OLDHAM BOROUGH COUNCIL
£2.1m. bills issued 21/1/76, due 21.4.76 at 9⁵⁄₁₆%. Applications totalled £14.7m. No others outstanding.

STOCKPORT D.C. BILLS
£1mil. bls. issued 11.2.76, maturing 12.5.76 at 8⅝%. Applic. tot. £8 mil. and there are £2 mil. bls. outstanding.

PERSONAL

SPACIOUS ROOM to let suitable for conventions and board meetings. The Fox, 7 Islington Green, N.1. 01-226 3764.

Record companies used to believe their business to be recession-proof, but recent sales trends and consequent falls in profitability have set some of them wondering how true that still is. **Antony Thorncroft** examines the fortunes of an industry highly susceptible to fickle changes in the public's mood.

Above: Queen—the first group in a decade to sell over 1m. copies of a single. B[...] John—more records sold last year than anyone else in the world. Both figure lar[...] hopes for another profitable year.

The profits gamble that turns on the spin of a disc

THERE used to be a comforting belief among record companies that their business was recession-proof. During the 1939 crash people continued to buy records (and cosmetics), presumably to make life worth living. Now, however, many in the record industry are beginning to lose faith in what had been an old truism.

Last year volume sales of records and tapes just about marked time, although higher prices pushed turnover in this vast industry towards the £200m. mark. With costs rising, the profits of most companies must have fallen. Fortunately things were not quite as bad as they might have been. The figures for the first nine months of 1975 show a 4 per cent. fall in the number of singles sold but a gain of 1 per cent. for record albums. The real winner was tapes, which eventually fulfilled all expectations by showing a 22 per cent. sales increase.

But for most companies there was a good last quarter, with the week before Christmas especially buoyant. As a result *the final outcome looks better* than expected in the summer. For, despite the fact that most records are produced by vast international corporations like EMI, CBS, Warners, RCA, and ABC, with substantial resources to invest in new artists and promoting records, this remains a completely unpredictable business.

EMI, for example, has just had one of the most profitable six months in its history. To a great extent this is because all the difficult changes of recent years in production and distribution are finally working satisfactorily. But the year ended so well because one of its groups, Queen, became the first for a decade to sell comfortably over 1m. copies of their latest single. In addition the Queen albums are selling by the ton so that from this one source in the last six weeks has flowed around *£2m. in retail turnover.*

Imagination

It is this unpredictability which distinguishes the record industry. The most unlikely records, like Laurel and Hardy's pre-1939 recording of the pre-1914 song, *Trail of the Lonesome Pine*, can suddenly catch the public imagination and sell 200,000 copies.

To stand a chance of issuing the one success that pays for nine failures the record companies used to release around 60 singles a week. Now, economic factors, and changes in record retailing, make such outpourings unprofitable. Up to last week-end, there had been 147 singles launched on the market this year: in the corresponding weeks of 1975 there were 200. It is the continuance of a trend—during 1975 3,500 singles emerged, a drop of 500 *on the previous year.* At the same time a "hit" record these days may mean a sale of less than 150,000 copies. Two years ago a "hit" was worth at least 250,000 sales.

This caution by the record companies means that only established artists and "safe" revivals get released and the chances for new artists and experimentation are reduced. This is especially true now that record retailing has followed the U.S. pattern. Large multiple groups—F. W. Woolworth, W. H. Smith and Boots, in particular—regard records as store traffic builders and cut the price of albums by at least 50p compared with the specialist record retailers. As a result they have captured 30 per cent. of sales.

But, also as a result, the major multiples, with limited shelf space, naturally concentrate on the records they know are going to sell well. Often this means the albums that are subject to heavy television advertising campaigns. So accepted artists, and heavily promoted artists, stand a much better chance of appearing in the shops, and being bought, with the consequence that they enter the best selling record charts, get even more radio exposure, more sales, and finally justify their investment: These days the albums in the top 50 account for up to 20 per cent. of total sales, and the new hopefuls stand less chance of being recorded, being stocked by the retailers, and being bought by the public.

Independent

The major companies can live with this situation, but it makes the times hard for the independent record labels whose prosperity has been based on their *skill in finding and recording* new talent. Some, such as Island, Charisma, Virgin, and Chrysalis, can survive because they have already established artists: the others face a difficult year. There is also the danger that when their artists' contracts expire they will sign with a major company which can offer overseas promotion as well as an enormous cash advance.

This recently happened with Elton John, who last year sold more records than anyone else in the world. Elton John is big enough to have his own label, Rocket, but this was still handled by his early mentor Dick James. Now he has quit Dick James' record company, DJM, to join EMI. This is a major prestige coup for EMI, which accounts for a quarter of U.K. record sales, even if it does not produce much extra profit.

While most artists are happy to take a 10 per cent. slice of a record's price as royalty someone of Elton John's prominence would expect double this sum, leaving much less for the record company. EMI will attempt to make good its investment through its overseas marketing of future Elton John records.

The capture of John more than compensates for the recent news that George Harrison has left EMI, with his own label Dark Horse, for A and M. Harrison may not have been a big money spinner in recent years but it is sad that a Beatle has quit the company that originally signed the group. However nothing can detach EMI from the Beatles' past catalogue, one of the major assets the company possesses. Harrison has gone to A and M because it is a small company which can, perhaps, provide a more personal service. This is the strength of the independent labels and the reason why companies like Chrysalis can claim never to have lost an artist.

Chrysalis, and even more so the very successful Island, represent the innovators of a few years ago who have now reached maturity. Both were started by young men who saw no openings in the established companies for the type of music they wanted to produce (mainly aimed at students), and set up their own stable of artists, using the majors for production and distribution. It has worked well because British artists have world-wide appeal (most of their revenue comes from overseas) and because the album (and both companies concentrate on albums) was capturing a much greater share of record revenue—now approaching 70 per cent. of the total. Island and Chrysalis and the rest hardly bother with singles; and one major *that has* bothered in the past year claims it sold 4m. singles without making a profit.

Prejudice

This prejudice against singles, and the view that their main use is to act as promotional ear-catchers for albums, is not shared by the latest breed of record companies, best exemplified by Magnet and the U.S.-owned Bell. These are small operations which have done *exceedingly well* releasing singles aimed at the sub-teen, and slightly older, market.

Bell was the top singles label in 1975 for the third successive year, selling 2m. copies of the Bay City Rollers as well as breaking the band in the U.S. where the latest Roller record made the top selling spot and notched up another 2m. sales. Bell has the knack of replacing these temporary idols as their popularity wanes. Last week one of its former successes, Gary Glitter, announced his retirement as its latest band, Silk, moved to the No. 1 spot in the charts.

While Bell goes for numerous short-life successes, and Island attempts to build up acts that last a decade, the majors aim to cover the entire range of musical taste. EMI has responded to the inroads of the independents by developing its own *artists* again rather than concentrating on licensing deals from other labels or taking tapes from successful producers like Mickie Most. Queen is the encouraging result of this home-grown talent.

But EMI makes almost as much money from handling production and distribution for other companies, like Island and Bell, and from licensing operations where it does more of the promotion. Its most important source of material here is Tamla-Motown, which departed briefly last year and has since returned. On the other hand, EMI has just lost Asylum-Elektra (and artists such as Joni Mitchell and Carly Simon) which has gone back to Warner.

The British majors, EMI, Decca and Pye (which has gained market share lately), can ride the current hiccup in record sales (end 1976 has not started too well) because of their work for the smaller companies, because they have extensive overseas interests and because they have enormous back catalogues of songs which can be exploited in compilation albums or through budget price releases. The British subsidiaries of American majors face a more difficult future.

They were set up to sell to the British market, which is the fourth largest in the world after the U.S., Japan and Germany; to co-ordinate marketing in Europe, which generally follows the lead of British tastes; and, above all, to develop British artists who can be sold to the Americans. In all these areas the trends are unfavourable, especially where [...]
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هكذا صدر الأصل

FINANCIAL TIMES SURVEY

Thursday February 12 1976

JAPANESE SHIPPING and TRADE

The present fiscal year is likely to end in March with a trade surplus of $4.5bn.—as predicted by Government forecasters. However the level of trade is well down which presages serious consequences for the recovery of Japan's economy.

Towards a 'moderate' surplus

By Charles Smith, Far East Editor

…N WILL end its 1975 fiscal …n March 31 with a trade …s of around $4.5bn. (on …F basis which reckons …mports and exports as … This looks at first sight …n achievement for the …ment forecasters who …ed as long ago as …er 1974 that the surplus …e in the region of $4bn. … It also looks like—and … impressive achievement … country which has to … virtually all the raw …ls needed by its industry …hich, in particuar, is …g some $20bn. a year on …d oil.

…f the trade balance has …out conveniently close to …nent forecasts, as well as …omfortably in the black, …nly does not follow that …ng has gone according … What has actually …d during the past year … both the volume and … Japan's foreign trade …runk drastically. This … serious consequences … speed of recovery in …tself (because exports …led to provide a much … source of demand for …ducts of Japanese in… and disastrous conse… for the balance of pay… some of Japan's trade … (because Japan's im…m those partners have …r below expectations).

…contrast between the … presented by the …ent and the actual … of events runs roughly …s: at the end of 1974 …nual forecast for the …scal year the Govern…hought that Japan's … would grow at a rate …er cent. in fiscal year …nging them up to a … about $67bn. Imports, …me forecast were projected to grow at about 14 per cent. reaching a total of around $62bn.

The Government reached these conclusions because it thought world trade would grow modestly in 1975 and Japan, as it has done continuously for the past couple of decades, would expand its trade faster than the world as a whole. But the first few months of 1975 were enough to show that some of these assumptions were rather badly wrong.

Imports after starting the year some 40 per cent. up on the levels of early 1974 soon dropped back to and below the previous year's levels dipping to 17 per cent. down on the previous year's figure by the end of June. Exports held up for longer, generating expectations around the early summer that Japan might chalk up a massive trade surplus of $8bn. or $10bn. for the year. But from May onwards they too began to fall well below the previous year's total.

Imports

When the time came to the end of year 1974, the year's export total was still one per cent. up on the 1974 figure while imports were down by around six per cent. But the situation will look worse when the current fiscal year ends on March 31. The fiscal year export figure, as forecast by the Bank of Tokyo, will be 8 per cent. down on the previous year, at $54bn., while imports will fall 7.5 per cent. to $49.4bn.

It is not difficult, in retrospect, to see why things turned out so differently from the way the Government (and, to be fair, most other people) expected. World trade did not grow in 1975 but instead got slightly smaller. Meanwhile, Japan's economy remained almost stationary for the second year in succession so that raw material imports (which together with food account for two-thirds of total imports) remained extremely slack. As far as exports were concerned Japan found that it was losing ground fast in the U.S. market, which traditionally has been by far its largest, because the Americans simply did not need the consumer durables and industrial equipment which forms the bulk of Japanese shipments. Exports to the U.S. are now forecast to show a 19 per cent. decline and shipments to Latin America a fall of nearly 17 per cent.

The bright spot in Japan's exports performance during the past year has been the Middle East which should take 40 per cent. more Japanese goods in fiscal 1975 after roughly doubling its imports from Japan in 1974. But the Middle East is still only a medium sized market for Japanese products by comparison with the U.S. or South-East Asia. Demand from Arab oil producers has not made much difference, for example to the plight of the Japanese steel industry whose world-wide sales will probably show a fall of over 20 per cent. during the fiscal year or to the chemical exporters who will be selling around 22 per cent. less than they did a year ago.

The Japanese industries which have done quite well in exports during the past year are the motor industry, where overseas sales may be up 23 per cent. by value and 11 per cent. in volume (including a 75 per cent. increase in sales to the Middle East), and, somewhat surprisingly, the shipbuilding industry whose fiscal 1975 sales should be up nearly 9 per cent. on the previous year.

The bottom has, of course, dropped out of the world market for tankers, a field in which the Japanese held an overwhelmingly strong position up to the time of the 1973 oil crisis. But Japan has managed to win the lion's share of new export orders for bulk carriers during the past few months though only by offering prices and payment terms which have been pared to the bone to beat international competition. The shift to deferred payment financing of ship exports has had a noticeable effect on Japan's overall balance of payments in recent months by sharply increasing the outflow of funds under the "short term capital" heading in the Finance Ministry's monthly accounts.

If the trade picture has been more dismal than anyone could have expected, it is natural to wonder whether things are going to turn out badly again in 1976. The Japanese are confident that the answer to this question is no. The Government, while admitting its mistake a year ago, is now saying that an export recovery is very definitely on the way and that exports for the coming fiscal year (ending March 1977) should be up about 13 per cent. in nominal terms on the year which is just ending. The forecast for imports is for about a 14 per cent. rise, but some private agencies are taking a more optimistic view of export prospects (up as much as 15 per cent. says the Bank of Tokyo) and a slightly less bullish view of imports.

The reason for being optimistic about exports is partly that there are already advance signs of recovery: orders received by major trading companies in December for example were no less than 30 per cent. up on the previous year, while January receipts of letters of credit were up by 17.5 per cent. Looking slightly further ahead the Japanese feel they cannot fail to benefit from the recovery of the U.S. economy and from the fact that the Americans, with a massive trade surplus behind them in 1975, should have no inhibitions about spending foreign exchange in 1976. Export prospects are also reasonably good in the Communist world where some major contracts are under negotiation with Russia and China.

The industry-by-industry outlook for exports backs up the results yielded by a regional analysis. The Japanese steel industry is sounding confident about its export prospects for the first time in 18 months, anticipating a revival in world steel prices this year as well as a modest increase in exports. Volume car exporters seem to have started 1976 with a vigorous sales drive and the plant industry, which has not figured prominently as a foreign exchange earner in the past, is being pushed to the utmost to increase its share of international business (see an article later in this Survey).

The prospects for a recovery of imports are less certain, or at least less immediate, for the regrettable reasons that demand inside Japan remains weak and Japanese industry is still heavily overstocked with raw materials. Current stocks are said to be about 40 per cent. higher than they were towards the end of the 1973 boom when most Japanese manufacturers were doing their utmost to extract more raw material supplies from their overseas customers.

No one in Japan—not even the ever optimistic Government —now expects a full blooded economic recovery before the second half of the 1976 fiscal year. Until this comes the upward trend in imports could be fairly modest.

The lag in import growth sounds like bad news for some of Japan's Asian trade partners whose economies are critically dependent on how much they can sell to the region's one and only economic superpower. But the fact remains that, even as an importer, Japan will soon be performing better this year than it did in 1975 and by the end of the year things should have got very considerably better. The prospect for the fiscal year 1976 as a whole is for a trade surplus somewhere between $4bn. and $5bn. with imports and exports showing increases of up to 16 per cent. in nominal terms.

The volume rise for imports will be only 4.3 per cent. but a big part of the difference will be made up by the impact of last September's OPEC oil price rise which has yet to be reflected in Japan's oil bill.

As has been the case for the last three years, Japan will certainly run an overall balance of payments deficit during the coming year since invisible outflows and overseas direct investment will more than outweigh the visible trade surplus. But the deficit will be much smaller than in the last boom year of 1973 and is unlikely to cause any very serious headaches. The current strength of the yen on the Tokyo foreign exchange market suggests that, for the short time at any rate, no one is particularly worried about the balance of payments outlook.

The outlook further ahead for Japan's trade and balance of payments seems to allow of two contradictory viewpoints. The pessimistic view is that, as Japan gets into the swing of the six per cent. "moderate" growth projected by the Government for the years from 1977 onwards, it will find itself faced with a growing trade imbalance caused by high raw material costs and inelastic markets for its exports. The obstacles against too rapid Japanese penetration of overseas markets have been only too evident in the recent past, not least in Western Europe where barriers have been erected against a variety of Japan's more successful exports in the form of dumping charges, "voluntary restraint" arrangements or import monitoring systems.

Unfriendly

Sales to Europe will be down 13 per cent. this fiscal year with much steeper falls in shipments to some of the more protectionist markets such as France. On the import side the pessimistic view is that conditions in world markets for primary products will remain basically unfriendly to a country which makes its living, like Japan, in buying raw materials and re-exporting them as manufactured goods.

The opposite point of view rests on the simple fact that the Japanese Government is projecting a substantial and increasing trade surplus as the economy moves into the 1980s. The profile of Japan's economy in 1980 which was published last month by the Economic Planning Agency shows the balance of payments in

CONTINUED ON PAGE IV

Invisible confusion

JAPAN, it is a well-known and well-documented fact, runs a huge surplus on its visible trade account with the rest of the world. The rest of the world has often regaled Tokyo with this and claimed that a lot of the surplus may be due to unfair trading practices of one sort or another. Lately Japan has begun to hit back.

Published trade figures do not offer an accurate picture of trade relations between two countries, the Japanese claim. Not only that, but some countries which say they are in deficit in current trade with Japan are in fact enjoying a healthy surplus. The U.K. has been cited by some Japanese as a typical example of a country actually in surplus while crying out that it has a crippling and import restriction-worthy trade deficit.

The reason for the distortion, the Japanese explain, is that the trade figures are unfair to them, they include the obvious visible trade, but contain no reference to invisible trade like shipping and insurance in which Japan has traditionally been weak and in which it is heavily in deficit.

Tokyo's concern to—as it sees it—put the record straight, has grown over the last two years as the Japanese deficit on invisible trade has suddenly shot up. For years Tokyo showed a deficit on invisible trade of the order of $1.5bn. But this was more than covered by the huge surplus on visible trade. However in 1973 two things happened at the same time: the visible surplus was reduced and the invisible deficit grew, to $3.5bn. in 1973, then to $6bn. in 1974. Alarm bells began to ring in Tokyo.

So strongly does Japan feel about the distortion that it has recently inspired two reports which present a picture more favourable to it. Both deal almost exclusively with trade between Japan and the U.K., but the trade figures for the U.K. offer the archetypal case of the distortion which the Japanese allege. According to official figures Britain accounts for only a tiny fraction, hardly more than 2 per cent., of Japan's visible trade, and the Japanese share of Britain's trade deficit is less than those of other major trading partners like the U.S., West Germany, France and the Netherlands. But the U.K. by comparison is a major trading partner of Japan's in invisibles. In fact the Bank of Japan figures show that the U.K. is responsible for more than 21 per cent. of the $3.5bn. invisible deficit in 1973, second only to the U.S. which accounted for 31 per cent. of the deficit.

One of the recent reports was written by Mr. Dick Wilson, a journalist, and published by the Information Centre of the Japanese Embassy in London. He quotes figures from the Bank of Japan which show that in 1973 the U.K. exported to Japan goods worth only about half the value of imports from Japan. But the visible trade gap of $527m. was more than covered by the U.K.'s surplus on invisible trade of $751m. According to the Japanese Central Bank's figures transport, $375m. in the U.K.'s favour, made up half of the invisible surplus of interest dividends and profits. $183m., made up the bulk of the rest.

Mr. Wilson comments: "The truth is that Britain makes more out of selling goods and services to Japan than Japan does by selling goods and services to Britain. The idea that Japan somehow does better than us on our exchanges is a manifestation of that curious loss of self-confidence in which British commentators sometimes indulge, reinforced by the understandable shyness of the City of London in blazoning his overseas successes."

The other report is by the Japan Trade Centre in London which includes Bank of Japan figures for 1974. These claim that from a current trade surplus of $232m. in 1973 the U.K. surplus with Japan shot up to $796m. in 1974. The Bank of Japan's figures claim that in 1974 the U.K. had a surplus in invisible trade with Japan of $1.46bn.

Deficit

The authorities in the U.K. dispute such large figures for invisibles, but until recently produced none of their own from which to argue. However in December Mr. Edmund Dell, the Paymaster General, did produce figures for Britain's invisible trade with Japan and which showed a substantial British deficit still in overall trade between the two countries. According to Mr. Dell, Britain showed a net gain of £115m. on invisible trade with Japan in 1973 and of £195m. in 1974, the latter being £430m. below the Bank of Japan figures and still leaving a U.K. deficit.

The reason for the huge discrepancy between the two sets of figures is that the Bank of Japan publishes gross figures, while U.K. authorities give net figures: The British say that to attribute to the U.K., as the Japanese statistics do, all payments for services arranged through the City of London is misleading. The earnings of U.K. companies are only the small margins rather than the full value of the transactions.

The Japanese have a response to that British claim. The Japan Trade Centre contends that as visible trade figures are supplied gross, not net, there is no obvious reason why the invisible figures should not also be given gross. Its report adds that visible trade figures could also be given net—to Japan's advantage: "Aircraft which Japan imports from the U.S. incorporate British engines, and when Japan buys oil from the oil producing countries some part of these payments may flow into the revenues of British oil companies. Again, Japan is poor in natural resources and a substantial part of the price for iron, steel and machinery which Japan exports to Britain is paid to a third country in the form of payment for iron ore, coal, copper ore, bauxite, etc."

Unfortunately, two of those examples are confusing ones. For example, Rolls-Royce engines in the TriStar aircraft bought by Japan show up in the British statistics as exports to the U.S. and in the Japanese statistics as imports from the U.S.: the payments to British oil companies will appear in the British invisible earnings statistics. The British authorities consider it would take too much trouble to isolate the imported raw material content in Japanese exports.

It is easy to guess why the Japanese last year mounted a counter-offensive in Britain. At the time there was considerable talk of applying import restrictions, and Japanese goods, as, for example, motor cars, were the most frequently cited as the most deserving of restrictions. In fact even some British officials consider that Japan has been unfairly singled out for criticism. As far as individual items of import go Japanese cars are not as damaging to the British car industry as European models.

As far as overall visible trade goes, the deficit that the U.K. has with Japan is smaller than those with the U.S., Germany, France and even the Netherlands. In 1974 when the deficit with Japan was £251m., the U.K.'s visible trade deficit with the U.S. was £484m., with France £435m., with West Germany £881m., and with the Netherlands £655m. Japan's wider problem of the deficit on invisible trade remains. The reasons for the sudden spurt are clear enough. The rapid rise in the oil price affected not only the price of direct oil imports but also put up the costs of freight and other charges. The facts that Japan's visible trade surplus was suddenly cut meant that the strain of the enlarged invisible deficit was all the more telling.

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New power in plant export

JAPAN HAS been relatively weak, compared with other major industrial countries in the field of industrial plant exports until very recently. According to OECD statistics, plant export contracts secured by Japan in 1973 totalled just over $5bn. or 7 per cent. of the total orders secured by the six biggest OECD members. This put Japan below both the U.K. and France as a plant exporter although, in total exports, Japan ranks third among OECD countries after the U.S. and West Germany.

The Japanese attribute their weakness in plant exports to two major factors: 1—Lack of technology and, 2—Lack of contacts. They say they rank well below most European countries in the technology of building production lines and far below the U.S. in nuclear technology. Their technological strength is limited to a small number of admittedly important fields such as telecommunications, iron and steel plants, cement and fertiliser plants and desalination (a recent addition). But Japan makes no secret of the fact that it is catching up on plant technology.

Meanwhile it is evident to the most casual observer that Japanese politicians and business men are working hard to build up a network of contacts which they hope will match the ties, based on cultural or former political links, enjoyed by European countries with the Middle East and Africa, or by the U.S. with Latin America. Japan, in short, is engaged in a major drive to break into the world market for big industrial plant and the drive is beginning to work.

Figures published for plant export licences granted by the Ministry of International Trade and Industry make it evident how fast Japan has been building up its share of the market (though it needs to be remembered that export licences do not translate into actual shipments until a year or so after they are granted).

The MITI figures show Japan earning a fairly modest $2.2bn. from plant sales in 1973, which increase to $3.86bn. in 1974 and to an officially estimated $5.52bn. in 1975. (The years in each case are fiscal years running from April 1 to March 31 and the definition of plant, a narrower one than that used by the OECD, is any industrial equipment worth $500,000 or more but excluding aircraft and ships and other "individual" pieces of machinery).

Estimate

MITI goes on to say that it thinks the 1975 estimate of $5.52bn. now looks rather conservative: the actual figure is said to be almost certain to pass $6bn. More impressive still—if it is realised—is the target of $12bn. set for 1976 plant exports by the Minister of International Trade and Industry, Mr. Toshio Komoto.

If Mr. Komoto's target is met overseas plant sales will have moved up into the top bracket of Japanese export industries overtaking some of the items on which the country has relied for its foreign exchange earnings in the past.

By way of comparison, Japan's steel exports, traditionally the number one foreign exchange earner, were worth $11.9bn. in fiscal 1974, but will probably be worth somewhat less in 1975. The other two big export earners in the past few years have been cars and ships each of which, in 1974, brought in around $6.5bn.

In order to make possible a big increase in plant exports this year the Government has increased the lending capacity of the Export Import Bank by just over 8 per cent. and raised the ceiling on export credits which can be insured by MITI's Export Credit Insurance Division (the equivalent of Britain's ECGD). The credit insurance ceiling now stands at $15bn. in fiscal year 1976 compared with the 1975 ceiling of $10bn. and with an actual total of around $4bn. worth of export credits insured in fiscal 1974. The Ex-Im Bank, which normally puts up about 70 per cent. of the financing for plant contracts (that is 70 per cent. of the total cost minus the 15 or 20 per cent. normally covered by down-payments), will have Y324bn. available to lend in the coming year. A large part of this will be reserved for plant exports while much of the remainder will be for ships.

The increased financing available for plant exports this year can be seen as very definite Government encouragement for the efforts of the exporters. But the Japanese Government maintains that it is not providing any significant incentives for plant exports other than making available reasonable
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JAPANESE SHIPPING & TRADE III

New orders boost for shipyards

ALL of gloom which n Japanese shipyards at of 1974 has lifted just — as a direct result of that the industry, evi- uch to its own surprise, re new orders than it ones during 1975.

t gain in gross tonnage, .. with orders having ced for 8.64m. tons and ancellations (and re- ons) accounting for the .6m. tons. These figures all yards and to all f more than 2,000 gross

et result is especially le considering that all the cancellations ge tankers and that new orders were for ch smaller vessels — ly implying that the of contracts concluded ral times larger than er which went sour.

the year's new orders 334 ships, including hters (6.7m. tons), 36 rs (1.5m. tons) and 7 oil/ore bulk carriers tons). Of these, 408 4m. tons) were for

ul, which appears to or at least two-thirds ers placed in 1975, is with considerable not to say envy, in building circles.

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sons for saying that well known. The l conceivably the portant, is virtual in that, under the system, the 250,000 ployed in the industry its sub-contractors) laid off. True, there for cutting down re- and for transferring ters to other divisions ied companies of any

ese steps have been d are being taken), still leaves an awful n for whom gainful nt must be found, ch the only practical is bankruptcy of the companies on what d to be an unprece- spectacular scale. say, this is a solu- Japanese managers every fibre of their

because many ship- including all the well diversified into neering and other here must be scope tting which would to specialist ship- the European type. n alleged by some that Japan is cur- g ships below cost, ore accurate to say r the existing rporate structure it or the yards to re- heads in such a way tting becomes com- asible.

e Japanese trading em provides a f communication rds, owners and likely to have transported to or This may mean, for t a shipowner can to place orders, on of some kind of loyment for his in service.

that there may be ractice apparently n of Japan's critics angry. However, they may do well to reflect that orders gained in this way may on the whole be ones that would otherwise not be placed at all. In this sense, such orders are not business snatched from the jaws of hungry competitors so much as a net addition to current world economic activity for which government's in general ought, on balance, to be thankful.

Fourthly, the Japanese probably have the edge in financing in present conditions, though this aspect is now informally regulated between members of the Organisation for Economic Co-operation and Development (OECD), which holds meetings on the subject at irregular intervals (the next, in Paris, next month).

On paper the agreed position is that a 30 per cent. down-payment must accompany orders, with supplier credit permissible for the balance, provided it carries a rate of interest of at least 8.75 per cent. (mean average). In practice this comes in a package, partly provided by the official Export-Import Bank (at a significantly lower interest cost) and partly by the city banks.

Among more dramatic changes last year is the fact that deferred payment terms accompanied 71 per cent. (by value) of orders, up from 27 per cent. in 1974 and a mere 18 per cent. in 1973. However this very largely only reflects the fact that international banks have become progressively less keen to finance shipbuilding, so that every country's order book has shown a big rise in supplier credit.

According to OECD sources there is no evidence that the Japanese are cheating by offering softer finance. What may be happening, however, is that Japanese trading companies and others may be helping shipowners to find their down-payments. This, too, is something they are well organised to do, by virtue of their normal access to large amounts of offshore funds.

Granted that the additional 3m. tons of net orders have been booked, the industry has come through to 1976 with work on hand (on paper) of 34.2m. tons, which is nearly twice as good as the position at one time looked like being.

Indeed, a year ago, when the unfinished work was around 47.6m. tons, it was clear the industry was capable of completing 18m. tons during 1975 and at least as much appeared to be threatened by cancellation. Thus, crisis was seen staring shipyards in the face sometime in 1977 if not sooner.

It is in this light that shipbuilders now gratefully accept that they have won at least a year's breathing space. It has been an all-round effort, involving not only hunting for orders and resisting cancellations, but also slowing down work in the yards as far as possible to make the order book last longer. Deliveries were, in fact, reduced to around 16.4m. tons, about 90 per cent. of the 1974 performance.

It is also a help to the yards, from the point of view of maintaining morale if not profits, that orders gained will on the whole involve labour-intensive operations (ton for ton, building supertankers does not).

The strategy for 1976 is to stretch out the available work still further, probably so as to complete about 12m. tons of shipping. That implies yard activity averaging about 80 per cent. of 1974 operations.

Theoretically this would leave around 22m. tons of unfinished work at the year-end, assuming no more cancellations and no more new orders. But both assumptions are no doubt unrealistic.

Industry sources predict another 7m. tons of cancellations, making 12.6m. gross tons for the two years, which is in line with original forecasts of a 25m. ton forfeiture of orders, measured in deadweight tons, for the current recession (roughly speaking one gross ton of tanker capacity is equivalent to two deadweight tons).

There is some confusion about what the yards hope to land in new orders. At a Press conference on January 31, the President of the Shipbuilders' Association of Japan (SAJ), Mr. Isamu Yamashita, was reported to have envisaged another crop of orders like last year's, on the strength of which (it was reported) the industry could look forward to an approximate 65 per cent. capacity load in 1977.

The SAJ points out that this could not have been Mr. Yamashita's projection, since it is clear from the figures that a 65 per cent. activity rate will be possible next year (on the strength of the expected 15m. ton carry over) even if no new orders are won. Thus, the president must have been talking about 1978 and have been looking for orders of around 4m. tons a year in the next two years, to ensure that 1978 production at most shipyards does not slip below 60 per cent. of capacity—below which there are liable to be wholesale bankruptcies.

(For the sake of convenience, the industry's 1974 performance—launchings of 17.8m. tons and deliveries of 16.8m. tons—is taken to represent full capacity working.)

Whether or not Japan will secure 4m. tons of orders this year and next, must at this stage be a matter of opinion. Certainly some orders are to be booked against this year's expected cancellations of unwanted tanker tonnage (since it is usually only by placing orders for other kinds of shipping that owners are able to negotiate their way out of stiff penalty clauses in the original contracts).

Against that, most shipbuilders are still distinctly pessimistic. According to the SAJ, the market for bulk carriers and some other classes of shipping appears to be all but saturated now. Some builders and yards are desperately short of work already, and it seems a foregone conclusion that there will be serious corporate failures and/or some drastic industry reorganisation this year or next.

Exception

On the brighter side, it is clear that a marked upturn in world trade in the next 18 months could dramatically improve the demand for many types of shipping, the principal exception being large oil tankers for which building orders seem likely to remain virtually non-existent until sometime in the 1980s.

There must also be something to be said for an industrial crisis of which there has been as much forewarning as the situation developing in shipbuilding. The Japanese particularly, with their tradition of responding positively to industrial challenges through a combination of Government and private sector initiatives, would be likely to use the advance warning time to good advantage.

No grand strategy to save the shipbuilders has yet emerged, but that does not mean it has not been worked on. The Government has already greatly increased the availability of export-import bank finance, from around $75m. in 1971 to $500m. last year and $700m. earmarked for this year.

There are a number of other initiatives open to it, including new rounds of building incentives to domestic shipowners, inclusion of shipping in bilateral aid packages, and attention to some types of shipping in which the Japanese yards have to date been relatively unsuccessful (for instance, during the course of last year it appeared that only four out of 70 liquid natural gas carriers on order in the world would be supplied by Japan).

On present indications, one inescapable judgment on the final outcome will be that the Japanese invested too freely in shipbuilding facilities in the past decade (the supertanker boom began with the closure of Suez in 1967). At the moment the 20 members of the SAJ own 41 yards, including 17 facilities for vessels of more than 200,000 d.w.t. Several of these will in all probability be scrapped or modified in the next decade.

What is not so clear, however, is that the Japanese got their sums wrong on the basis of the market information that was available at the time. By and large, until the 1973 oil shock, shipbuilding capacity could not keep up with demand, and the demand, overwhelmingly, came from non-Japanese sources and was funded by non-Japanese banks.

On the face of it, those who fuelled the demand are no less responsible for the present tanker glut than the suppliers who rushed to meet it.

Peter Duminy

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sh Air Force. As a Japanese plant ex- that they have o the winning post. n the Middle East, companies which le to put together s.

nment has tended such complaints that decisions on s are usually taken y of reasons, in- , technology and would be unlikely by a single factor But Government recent past sug- e views of the y not have been ored. Two Japan- previously more d for export, the military transport the Shin Meiwa boat, have been banned list in the ths and are now xport licences on basis. At the Government has phasise the flexi- me export policy inflexibility. thout arms as a sweetener Japan seems set to make a big impact on the Middle East market for industrial plant in the next four or five years. Its plant contracts in the region moved from $302m. in fiscal year 1974 to $845m. in the first seven months of the current fiscal year and the Middle East area is now the single biggest recipient of Japanese plant exports, taking 22 per cent. of the total. The Japanese have some very big schemes on the way in the Middle East though some equally big ones have collapsed or failed to materialise in the past couple of years. They will probably build a $550m. petrochemical complex in Iran and may take part in a similar project in Saudi Arabia (the Iran project is being managed by Mitsui while the Saudi Arabian one comes under the wing of Mitsubishi). They have been asked for help and advice in the construction of an Iranian super-express railway line which could lead on to big export contracts. They are also doing well in the area with desalination equipment.

Another region which holds out great possibilities for Japan is the Communist world, including China, Russia, and several Eastern European countries. The prospect of big business with China depends partly on Japan's ability to import Chinese oil over which there are some question marks. The Russians may do over $1bn. worth of business with the Japanese nuclear power industry while the Poland could well go to Mitsui for a $450m. fertiliser complex.

The list of these contracts and many other possible future contracts seem likely to be shared by Japan with foreign subcontractions (including British ones) as a means of spreading the financial burden and obtaining the most competitive price quotations.

Japan's emergence as a force in the plant export market could thus tend to deepen its economic relations with other industrial countries instead of merely adding another element to the competitive tension between Japan and the West.

Charles Smith

Shipping line losses

UNLIKE MOST other Japanese industries, which are now gradually emerging from recession, the shipping industry still seems to have the worst ahead of it. All but one of the big six Japanese shipping companies experienced sharp falls in operating profits in the six months business term ending last September. In the current business term (ending on March 31) the majority of the big six will probably report operating losses.

The losses will continue during most of the rest of this year and probably into 1977. according to most accounts, atlhough shipping men except some sections of their industry to start recovering within thet year. First to pick up. according to most forecasts, will be tht regular liner trade (with some recovery already visible on the routes from Japan to the U.S. The tramp section of the business which is overwhelmingly dependent on the Japanese steel industry, because its cargoes consist heavily of iron ore and coking coal imports. will stay slack for several months longer. Last of all to recover will be the tanker industry , where Japanese shipping exports do not see much chance of better business until the very end of 1977.

The Japanese merchant fleet is the second largest in the world (after the Liberian) even if one counts only those ships flying the Japanese flag and not the 40 per cent. or so of tonnage which is operated by Japanese companies under charter from foreign owners. In view of its size, and of the preponderance of Japanese foreign trade in the world total, it was inevitable that the industry would feel the effects of sharply declining seaborne trade. The industry's plight is thus a reflection of the 8 per cent. fall in last year's world trade tonnage (from 3,247m. tons to 2,987m. tons) which coincided with a 10 per cent. increase in global shipping tonnage.

The figures for overall tonnage look bad enough, but those for world trade in crude oil, in which Japan is heavily involved by virtue of its position as the world's number one importer, look a good deal worse. Last year's total movement of crude oil, at 1.21bn. tons was 11 per cent. down on the 1974 figure while available tanker tonnage was 15 per cent. up. Japanese shipowners estimate the total excess capacity of world shipping to-day at around 105m. tons carrying capacity.

They are reticent about their own figures, but total Japanese shipping capacity (against the Japan registered fleet—not including chartered shipping) now constitutes some 9.6 per cent. of the world total so the impact on the Japanese industry has clearly not been negligible.

The Japanese shipping industry, in which six major companies are supported and to some extent supervised by the Government, is in some respects a special kind of animal compared with the shipping industries of other countries. The very rapid increase in tonnage which built up the industry total tonage from 12m. dwt in 1965 to 48m. dwt at the beginnign of last year was the result in part of a Government programme of planned and subsidised expansion under which the major companies were able to obtain financing at attractive rates (from the State-owned Development Bank of Japan) in return for official supervision of their expansion programmes.

The so-called *Keikaku Zosen* (shipbuilding plan) obliges shipping companies to submit one year and five year management plans to the Ministry of Transport covering, among other things, financial policy, fleet expansion and ship sales. The plan also specifies that ships built under the *Keikaku Zosen* programme with Government funds should be covered by long term contracts (runing up to ten years) with Japanese importers and exporters. The existence of these contracts is a form of security for the industry at a time when world shipping business is dropping off. But the shippers complain that the protection of the *Keikaku Zosen* system has drawbacks as well as advantages.

A major drawback is that long-term contracts are not readily adjustable to allow for inflation and may thus provide a poor return on the basis of current costs. A further dilemma of the Japanese shippers, which is related to political and strategic considerations, is that Japanese-registered ships are becoming more and more expensive to operate by comparison with chartered vessels. Under the Japan Seamen's Act Japanese-registered ships are obliged to be operated entirely by Japanese crews and the current level of wages for Japanese seamen is estimated to be about three times that for seamen of some other Asian nationalities.

Conditions

The All-Industry Japan Seamen's Union (the only union in Japan covering an entire industry) has been extremely successful in extracting big annual wage increases and other improvements in working conditions from the formerly profitable shipping companies. To take a recent example, the union asked for a 68 per cent. wage increase last year and ended up with nearly 20 per cent. while other Japanese workers settled for an average rise of about 13 per cent.

The punitive cost of employing Japanese seamen has tended to speed up the industry's move into the foreign chartering business and into sophisticated versions of chartering which rather blur the distinction between the Japanese-registered and foreign-registered portions of the fleet. At the end of June, 1974, just over 11 per cent. of the chartered shipping tonnage operated by Japanese companies was contracted on the *Shikumisen* or tie-in basis under which a Japanese shipping company places an order with a domestic shipyard "on behalf" of a foreign owner on the understanding that the ship will be chartered back to the Japanese company on a long-term basis as soon as it is built.

Shikumisen charter contracts may often be made between a Japanese shipping company and an overseas joint venture in which the Japanese shipping concern is a major partner or even a controlling shareholder. The system suits the shipping companies because it allows them to place a large portion of their tonnage outside the scope of Government and union-imposed controls on the industry.

It also has the advantage of eliminating the foreign exchange risks involved in operating Japan-registered ships since both the revenue and the operating costs of foreign-registered ships are reckoned in dollars. But the industry has to face the opposition of the unions as well as some coolness from the Transport Ministry in its efforts to expand the *Shikumisen* system. Export-Import Bank finance which is available for other types of ship exports is not at present available for the financing of ships exported to overseas affiliates of Japanese shipping companies. The shipping companies have asked the Government to extend such finance available but the reaction so far has been hesitant.

Officials seem to take the view that there is a strategic limit to the percentage of Japanese shipping capacity which can be safely registered abroad with considerable variations according to the type of cargo. In the grain trade where some 90 per cent. of Japanese imports are already being carried in foreign registered ships there seems to be no particular concern about strategic implications. In crude oil, however, sensitivities are rather more acute. Of the crude oil imports into Japan carried by Japanese shipping companies some 60 per cent. comes on Japanese flag vessels while the remainder is on foreign-registered ships. The Government appears to feel that this ratio is somewhere near the a cceptable limit though it is not about to lay down an inflexible ceiling.

The problem of striking a balance between Japan-registered and overseas-registered shipping is a long-term one for the Japanese shipping industry, transcending the scope of the present recession. In the short term, however, the industry has to adopt a position on a closely related problem: how to adjust the size of its domestic and overseas registered tonnage to minimise losses from the shrinkage of trade.

The largest Japanese shipowner, Nippon Yusen Kaisha, decided at an early stage to reduce the size of its tanker fleet and had sold seven tankers totalling 850,000 dwt by the end of last year. Kawasaki Kisen Kaisha and Itsui Osk Line have sold three tankers each and might well choose to sell more. But Japan Line, which ranks as the world's largest shipping operator when its overseas chartering is taken into account, has decided firmly against tanker sales. Japan Line declines to discuss its business with the Press but its president is understood to believe that a continuing major stake in the tanker business will leave the company in a strong position vis-a-vis other Japanese shipowners when the market finally picks up. Another factor in Japan Line's attitude could be its growing involvement in direct deal oil imports, a business which sets it apart from other shipowners.

All the major Japanese shipping compandes face labour problems in connection with ship sales, as well as the increasingly hard problem of finding overseas buyers. Ships sales have to be negotiated individually with the All-Japan Seamen's Union and crew which are made redundant by the sales have to be maintained on the company's pay roll even if they cease to go to sea for the period of the recession. Despite these and other burdens there seems no reason to doubt that the major shipping companies will ride out the recession without disaster. Most companies accumulated large reserves in the boom period running up to and beyond the 1973 oil crisis and can draw on these reserves to cover operating losses.

The companies which could face tougher problems as the recession continues are smaller and more specialised concerns, or bigger companies, like Sanko Steamship which elected to stay outside the protective framework of the Keikaku Zosen in order to preserve freedom of operation. Two business failures last year — those of Oyama Shipping and Terukuni Kaiun drove home the point that the Japanese shipping industry has its vulnerable members. Very recently troubles have started to build up for Ryutsu Kaiun a tanker specialist affiliated to the trading company Marubeni Corporation.

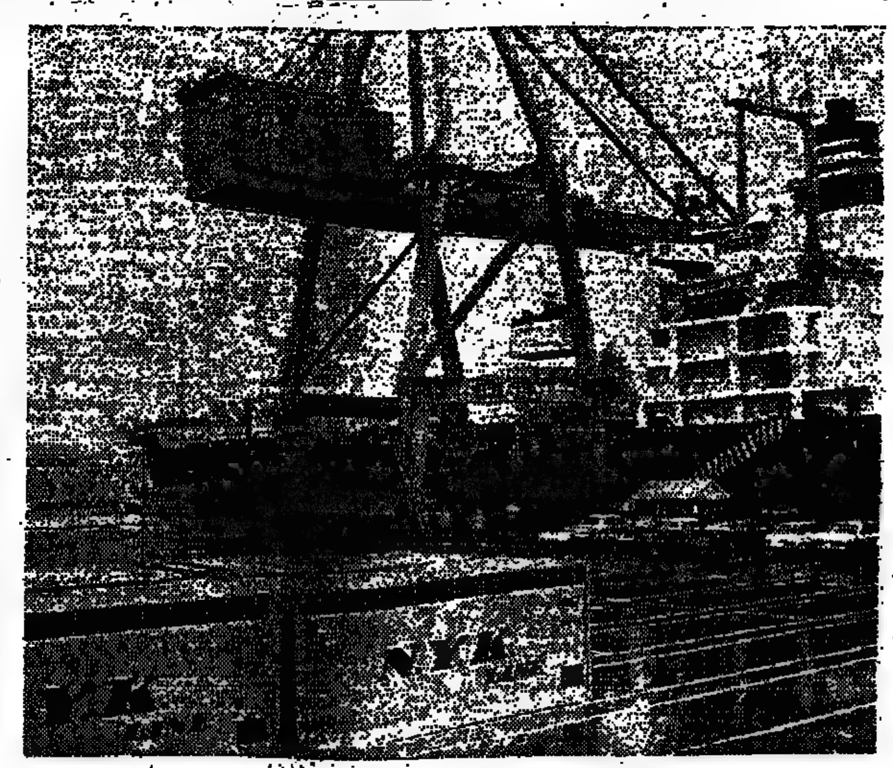
Apart from the recession itself the Japanese shipping industry has two major headaches at present, both of which it shares with shipping in other developed countries. The first is the rapid encroachment of the Soviet liner fleet on routes served by the ships of Japanese and major European shipping lines. The Japanese say that Soviet liner rates are between 20 and 40 per cent. lower than those of their Western competitors and cannot be equalled without a total sacrifice of profitability by free enterprise shippers.

They also say that while the Soviet fleet contain a lot of relatively old ships at present, it may soon become a major factor in containerised shipping. The Russians are said to have over 33 container ships on order and are expected to put them into service in "cross trading" on routes between third countries. The Japanese shipping industry may shortly lobby the Government for the introduction of protective legislation which would directly limit the amount of Japanese cargo to be carried by Soviet ships.

Japan's other headache is that of how to play its cards in the protracted debate over the UN Shipping Charter which aims to establish guidelines for the share of seaborne trade between developing countries to be carried by the countries themselves and by "traditional" shipping nations. Japan voted for the 40-0-20 formula. (that is, 40 per cent. for the shipping lines of countries of origin or destination and 20 per cent. for third countries) at last year's UN convention but has yet to ratify the agreement.

The Japanese shipping industry, while not opposing the UN formula in theory, has drafted a set of conditions for its acceptance which could be rather hard to fulfil. The industry says that the charter should not be signed until: 1—it is clear that it cannot be overruled by the domestic legislation of signatory countries: 2—a majority of countries support it, including members of the Socialist bloc and 3—"vague" passages in the charter are clarified. If the Japanese Government accepts these conditions as realistic the prospects for Japanese ratification of the charter may be somewhat remote.

Charles Smith



Loading a container ship.

Surplus

CONTINUED FROM PAGE 1

current account surplus by $4bn. at the end of the decade, a figure which presupposes a trade surplus of possibly as much as $10bn., given the heavy and continuing drain on Japan's invisible trading account.

The Ministry of International Trade and Industry's Industrial Structure Council, which produced a revised version, last year, of its "vision" of the economy in 1980 and 1985, puts the 1980 surplus at $13bn.

This sounds like an ambitious target and one which might be attainable only by running up dangerous imbalances with other developed regions of the world. But the Japanese Government does not see things this way. It believes that Japan's economic growth in the late 1970s and early 1980s will require a heavy outflow of resources into foreign direct investment to develop raw materials, to process primary products which can no longer be processed in overcrowded Japan and to relocate Japanese industries which are gradually becoming uncompetitive because of rising labour costs. Japan will need money to carry out this transformation of its economic system and expects to earn the necessary funds by exporting.

To see the picture in such terms is *not to project* a Japanese "invasion" of world trade in the late 1970s or early 1980s. The projections made recently by the Economic Planning Agency actually assume that Japan's share of world trade will remain static from now on instead of rising steadily as it did during the 1960s and early 1970s. But Japan does expect to remain permanently in surplus on its visible trade as the economy settles down to the new era of "moderate" growth.

It will be surprising—given the formidable competitive strength of most key Japanese industries—if these predictions come as badly unstuck as the Government's 1975 trade forecast.

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+148.56			
+147.02			
+145.75			

* Percentage changes based on Tuesday, February 10, 1976, indices.

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CMF Ltd. Jan. 29	$US10.65	1072		—
CMT Ltd. Jan. 29	£10.52	10.79		—
Metals Tst. Jan. 15	£9.56	9.79		—
TMT Jan. 8	$US10.44	10.11		—
TMT Ltd. Jan. 8	£10.70	10.97		—

World Wide Growth Management

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Wrld. Wide Gth. Fd.	$US12.12	$US12.24	+0.12	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¥ Net of tax on realised capital gains unless indicated by ϕ. § Guernsey yield. s Suspended. ♦ Single premium insurance bonds.

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**BRITISH FUNDS

1975/6 High	Low	Stock	£	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98[illegible]	92[illegible]	Treasury 8½pc 1976‡‡	98[illegible]xd	–[illegible]	6.58	9.17
99	97	Victory 4pc 1976‡‡	98⅝	.....	4.04	—
102	96⅞	Treasury 10½pc 1976‡‡	100[illegible]	–[illegible]	10.40	9.25
97¼	88⅞	Treasury 6½pc 1977‡‡	96[illegible]xd	–[illegible]	6.44	9.31
97¼	86¾	Electric 3pc '74-77	97¼xd	+½	3.08	5.65
103[illegible]	96⅞	Treasury 11½pc '77‡‡	102	–[illegible]	11.27	10.08
94	84	Treasury 3pc '77‡‡	93½	.....	3.21	6.97
93[illegible]	84⅛	Transport 4pc '72-77	93¼	–⅛	4.29	7.97
97⅝	90½	Treasury 9pc 1978‡‡	97⅝xd	+[illegible]	9.24	10.46
100[illegible]	96	Treasury 10½pc '78‡‡	100⅜	–[illegible]	10.46	10.31
92[illegible]	79	Exchequer 5pc '76-78‡‡	91⅝	–¼	5.47	8.74
103⅛	94[illegible]	Treasury 11½pc '79‡‡	102[illegible]xd	–[illegible]	11.21	10.52
86⅞	71⅛	Treasury 3pc '79‡‡	86½xd	.....	3.46	7.25
87⅞	73⅞	Electric 4½pc '74-79	86¼	–¼	4.90	8.57
100[illegible]	94½	Treasury 10½pc '79‡‡	99[illegible]	–[illegible]	10.60	10.78
99[illegible]	95[illegible]	Do. 10½ 1979 'A'	99[illegible]	–[illegible]	10.60	10.78
86⅝	71	Electric 3½pc '76-79	85⅞	–⅛	4.08	7.90
95⅝	84	Treasury 9pc 1980‡‡	95[illegible]xd	–[illegible]	9.44	10.45
95⅝	89¼	Treasury 9½pc '80‡‡	95[illegible]	–[illegible]	9.99	10.97
95⅝	92¾	Treas. 9½ 1980	95[illegible]	–[illegible]	9.99	10.98
86	68¼	Treasury 3½pc '77-80	85½xd	–⅛	4.11	7.58
87⅝	71	Funding 5¼pc '78-80‡‡	86⅛	–⅛	6.10	9.19
103[illegible]	94[illegible]	Treasury 11½pc 1981	102⅛	–[illegible]	11.26	10.91
		Five to Fifteen Years				
86	66⅛	Treasury 3½pc '79-81	84xd	+⅛	4.16	7.37
91⅝	72⅞	Do 8½pc '80-82‡‡	91⅛	+⅛	9.39	10.70
107¼	86⅝	Treasury 12pc 1983‡‡	101⅝xd	+⅛	11.71	11.49
79⅞	58	Funding 5½pc '82-84‡‡	78⅞	+¼	7.01	9.41
86⅛	61⅞	Treasury 8½pc '84-86‡‡	85	+¼	10.09	11.09
74⅞	51⅛	Funding 6½pc '85-87‡‡	73½	+¼	9.07	10.94
77⅛	53	Treasury 7¾pc '85-88‡‡	75⅛	+¼	10.33	10.67
51¼	32⅞	Transport 3pc '78-88	49¼	+⅛	6.13	10.45
59¼	39¼	Treasury 5pc '86-89	57⅛	+⅛	8.97	11.49
102	96	Treasury 13pc 1990‡‡	99¼	+⅛	13.23	13.26
75⅞	53¼	Treasury 8¼pc '87-90‡‡	73⅝	+⅛	11.41	12.43
		Over Fifteen Years				
60	41⅞	Funding 5¾pc '87-91‡‡	57⅞	+⅛	10.30	12.21
99	85½	Treasury 12¾pc '92‡‡	96	+⅛	13.38	13.47
97½	83⅝	Treasury 12½pc '93‡‡	94	+⅛	13.44	13.55
—	—	Do 'A' ‡‡●	£95¼	.....	13.12	13.21
58	40½	Funding 6pc 1993‡‡	52⅞xd	+⅛	11.24	12.68
75½	54⅛	Treasury 9pc '94‡‡	72¼	+⅛	12.75	13.27
36½	24¾	Gas 3pc '90-95	35	–⅛	8.78	11.65
102	75	Treasury 12¾pc '95‡‡	97⅛	+⅛	13.56	13.61
75⅞	54¼	Treasury 9pc '92-96‡‡	68⅞xd	+⅛	12.92	13.39
35⅛	26½	Redp. 3pc 1986-96	33¼	+¼	9.19	11.73
100⅝	86¼	Treasury 13¼pc '97‡‡	97½	+⅛	13.70	13.72
101⅞	88⅛	Do. 13¼pc '97 'A'	99	+⅛	13.74	13.74
69⅞	53¼	Treasury 8¾pc 1997‡‡	66¼xd	+¼	13.02	13.45
59⅞	40¼	Treasury 6¾pc '95-98‡‡	55¼	+¼	12.65	13.34
75⅛	54¼	Treasury 9½pc 1999‡‡	72⅝	+¼	13.26	13.53
31½	22	Funding 3½pc '99-04	29⅞	+⅛	11.83	12.85
65	47	Treasury 8pc '02-06‡‡	62½	+¼	13.41	13.56
46⅛	33	Treasury 5½pc '08-12‡‡	41⅛xd	+⅛	13.24	13.41
60¼	43⅛	Treasury 7¾pc '12-15‡‡	57⅝	+¼	13.53	13.59
		Undated				
29⅞	22⅛	Consols 4pc	28⅝	..	14.03	—
27⅞	20⅞	War Loan 3½pc‡‡	26⅛	.	13.50	—
29⅞	22⅝	Conv 3½pc '61 Aft.	27⅝	...	13.29	—
23¼	17½	Treasury 3pc '66 Aft.	22¼	–⅛	13.83	—
19⅝	14¼	Consols 2½pc	18⅝	..	13.61	—
19½	14¼	Treasury 2½pc	18¼	...	14.02	—

**INTERNATIONAL BANK

1975/6 High	Low	Stock	£	+ or –	Yield Int.	Red.
72½	58	5pc Stock '77-82	72¼xd	–¼	6.91	11.01
99	91½	8pc Stock 1976	98⅞xd	+⅛	8.09	9.64

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 66% (based on $2.0290 per £)

CANADIANS

S.E. List Premium 66% (based on $2.0205 per £)

Conversion factor 0.6034 (0.6068)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Misc.)

هكذا اصل الأصل

هكذا اصل الأصل

INDUSTRIALS—Continued

[illegible]

††INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Trusts, Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
£52½	£24	Gt. Nthn. £10	£52½	......	Q12%	1.9	3.3	20.1
*975	415	H'ris'ns. Cros. £1.	950	......	129.0	5.0	4.7	9.8
104	40	Hoffnung (S.)	96½	......	†3.44	2.7	5.6	10.3
422	150	Inchcape £1	395xd	+5	17.51	4.6	2.9	12.4
15	5½	Jacks Wm.	13½	......	—	—	—	4.0
27½	12	Jamaica Sugar	20xd	......	tQ4.0	—	20.0	13.6
159	68	Lonrho	129	+7	3.72	4.5	4.5	6.0
66	29	Mitchell Cotts	56½	......	3.02	2.2	8.2	8.4
111	43	Ocean Wlsns. 20p	97	−1	†2.31	6.7	3.7	5.3
40	23	Ouvah Highlands	40	......	1.57	11.7	5.1	2.3
480	175	Pat'son. Zoch	460	......	7.0	6.9	2.3	9.5
480	170	Do. 'A' N.V.	440	......	7.0	6.9	2.4	9.3
27	7½	Sena Sugar 50p	7½	......	B—	—	—	0.4
134	43	ΔSime Darby 10p	132	+5	Q20%	2.2	1.5	53.4
450	205	ΔS.A. Dist. W. £1	415	−5	tQ20c	6.4	3.8	4.1

RUBBERS AND SISALS

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
47	24½	Anglo-Ind'n'sn	46	......	2.5	2.4	8.4
40	17	Bertam Con. 10p	40	......	1.51	1.2	5.8
67	46	Bradwall 10p	65	+1	2.01	2.9	4.8
89	56	Castlefield 10p	88	+2	2.06	3.2	3.6
31	17	Chersonese 10p	27½	......	1.03	2.2	5.8
65	35	Cons. Plants 10p	62½	+1½	5.00	0.8	7.2
73	47	Gadek 10p	62	......	—	—	—
58	29	Golden Hope 10p	56½	+1½	1.97	3.5	5.4
8	5½	Grand Central 10p	6½	......	d0.5	1.7	12.8
237½	168½	Guthrie £1	177	+3	‡h11.0	0.8	‡
57	33	ΔHighlands M50c	47½	+3¼	‡1.45	1.1	‡
54	24	Kuala Kepong M$1	48	+3	†Q10c	1.2	3.6
32½	17	ΔKulim 50c	32	+2	†1.36	1.6	6.5
58	29	Ldn. Asiatic 10p	48½	+1½	†2.1	4.1	6.7
33	20¾	Ldn. S'm'tra 10p	33	+1	1.1	1.6	5.1
39	12	ΔMalakoff M$1	39	+1	Q4.0	♦	10.3
8	6	Malayalam 10p	6½	......	0.35	♦	8.3
66	39	Muar River 10p	50	+1	1.41	1.7	4.3
53	29	Pataling 10p	48½	+1½	†2.09	2.8	6.6
42	28	Plantat'n Hgs. 10p	36½	......	1.63	2.1	6.9
£12½	725	Sungei Krian £1	£10	......	31.15	2.6	3.2

TEAS

India and Bangladesh

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
106	63	Assam Dooars £1	106	......	7.74	5.6	11.2
105	58	Assam Fron'r £1	105	......	7.15	♦	10.5
49	34	Assam Invs. £1	48	......	3.00	5.3	10.3
100	55	British Indian £1	100	......	4.7	1.3	7.5
260	135	Cessnock £1	260	+5	♦—	—	—
415	100	Cons. Tea & Land £1	340	+5	♦19.5	5.4	8.8
8¼	3	Empire Plant 10p	5	......	0.65	4.1	20.0
126	90	Jokai £1	119	......	7.15	4.6	9.2
72	41	Longbourne £1	70	......	3.5	6.5	7.7
180	48	McLeod Rus'l £1	130xd	......	5.87	3.4	6.9
103	84	Moran £1	103	......	5.76	6.1	8.6
11½	5½	Singlo Hldgs. 10p	7½	......	0.78	2.1	16.0
395	210	Teith Hldgs. £1	395	+5	♦8.12	10.2	3.2
84	58	Warren Tea £1	78	......	g6.43	1.6	12.7
395	181	West Nile Hlds. £1	395	+5	♦13.43	4.4	5.2
75	60	Williamson £1	71	......	4.5	5.6	9.8

Sri Lanka

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
12½	7½	Central Prov.	8	......	0.87	2.2	17.8
58	24	Clurmance 10p	41	−2	6.0	♦	22.5
54	40	Lunuva £1	53	......	2.95	0.7	9.1
14	5	Tea Corporation	5	......	0.55	♦	16.8

Africa

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
48	31	Bandanga Hldg.	39	......	g3.17	2.4	13.0
185	130	Blantyre £1	185	......	15.27	2.8	12.7
35	20	Peacock Sas. 10p	35	......	12.74	2.9	12.1
50	40	Ruo Estates	45	......	3.95	2.8	13.4

MINES

CENTRAL RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¼	250	Durban Deep R1	395	+5	Q20c	♦	2.8
£14	440	E. Rand Prp. R1	465	......	Q35c	♦	4.2
105	16	Rand Leases 2½c	16	......	—	—	—
£34½	£12¾	Randf'n Est. R2	£14½	+¼	—	—	—
500	120	West Rand R1	135	+3	Q10c	♦	4.2

EASTERN RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	160	Bracken R1	190	+2	Q52c	1.0	15.1
23	5	Duggafontein 50c	8	+1	—	—	—
105	25	East Dag R1	26	......	—	—	—
140	£	Grvtl. Areas 5c	140#	......	—	—	—
360	100	Grootvlei 30c	100	......	Q20c	♦	11.1
620	385	Kinross R1	390	......	Q54c	1.4	7.6
90	52	Leslie 70c	64	+1	Q18c	1.4	15.5
550	150	Marievale 70c	160	......	Q42c	♦	14.5
725	155	S. African Ld. 35c	180	+5	Q30c	♦	9.2
265	80	Vlakfontein R1	83	......	Q20c	♦	13.3
£13¾	660	Winkelhaak R0	720	+5	Q108	1.1	8.3
120	28	Wit. Nigel 25c	30	......	—	—	1.4

FAR WEST RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	575	Blyvoor 25	630	+10	‡Q100c	1.3	‡
£21½	£11	Buffels R1	£13¼	+¼	Q180c	1.4	7.5
430	170	Deelkraal R0.20	176	+1	—	—	—
£14¼	580	Doornfontein R1	625	+15	‡Q110c	1.4	‡
£12¾	725	East Drie R1	880	+25	Q75c	♦	4.7
380	230	Elandsr'd Gld Mng 20c	250	+5	—	—	—
450	150	Elsburg R1	265	+7	Q33.8c	♦	11.3
£31	£13	Hartebeest R1	£15¾	+¼	Q215c	1.4	7.8
£13¼	530	Kloof Gold R1	630	+10	Q55c	1.4	4.3
£17¼	500	Libanon R1	570	+10	‡Q110c	1.9	‡
£13¼	495	Southvaal 50c	535	−5	Q8c	♦	0.8
480	200	Stilfontein 50c	235	+2	Q36c	♦	8.5
£33¼	£16¼	Vaal Reefs 50c	£19½	+½	Q175c	♦	4.9
£11½	280	Venterspost R1	330	+10	‡Q70c	1.9	‡
£55	£27¼	W. Drie R1	£29¾	+¾	‡Q485c	1.2	†
745	240	W'st'rn Areas R1	262	+7	Q52c	♦	11.0
£23	£12	Western Deep R2	£13½	+½	Q147½c	♦	6.0
536	240	Zandpan R1	276	+6	Q35½c	1.0	7.2

O.F.S.

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
400	110	Fr. State Dev. 50c	110	......	Q14c	1.6	7.0
£32¼	£18¼	F.S. Geduld 50c	£22½	+½	330c	1.3	8.1
265	90	F.S. Saaiplaas R1	98	+1	26c	2.6	3.4
960	390	Harmony 50c	465	+15	Q77c	1.8	9.1
575	118	Loraine R1	142	+2	Q6c	0.5	2.3
£28¼	£15	Pres. Brand 50c	£18	+½	Q250c	1.3	7.7
£25¾	975	Pres. Steyn 50c	£10¼	+¼	Q125c	2.2	6.4
£39¼	£18¼	St. Helena R1	£21¾	+¼	Q250c	1.2	6.3
340	135	Unisel	140	+2	—	—	—
525	245	Welkom 50c	320	+10	Q55c	1.7	9.5
£40	£21½	W. Holdings 50c	£25¾	+¼	Q475c	1.2	10.8

FINANCE

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
520	313	Ang. Amer. 10c	340	......	Q29c	2.0	4.7
£45½	£24½	Ang. Am. Gold R1	£27¼xd	+½	Q260c	♦	5.2
£16¼	850	Ang.-Vaal 50c	£12	−¼	†Q95c	3.7	4.2
205	87	Charter Cons.	160	+1	6.21	2.2	6.0
290	188	Cons. Gold Field	200	......	6.7	4.3	5.2
32	17	E. Rand Con. 10p	22½	−½	0.92	1.4	6.3
435	230	Geduld Inv. R1	300xd	......	Q40c	♦	7.4
£38¼	£17	Gen. Mining R2	£22½	−¼	tQ210c	2.1	5.2
£39	£18½	G. Fields S.A. 25c	£19½	......	Q225c	1.3	6.5
£27¼	£12	Jo'burg Cons. R2	£20½	−½	Q165c	2.5	4.5
530	260	Middle Wit 25c	310	−5	†Q28c	2.0	5.0
315	182	Minorco SBD1 40	230	......	Q14c	—	3.4
305	140	New Wit 50c	142	+2	Q20c	1.6	7.9
£11	710	Patino NV Fls.5	815	−5	QC40c	10.5	2.4
£11	660	Rand Selection 50c	700	+10	Q75c	1.5	5.9
695	320	Selection Trust	500	......	14.0	2.0	4.3
450	183	Sentrust 10c	198	+3	Q30c	1.2	8.4
81	27	Silvermines 2½p	59	−1	‡4.0	1.6	‡
170	95	SW Africa 20p	110	+10	17.87	2.0	25.0
£14	560	T'vaal Cons. Ld. R1	£11½	+⅛	Q65c	2.0	3.1
475	235	U.C. Invest R1	235xd	−5	Q36c	♦	8.5
580	355	Union Crp. 6.25c	410	−5	Q42c	1.6	5.7
105	30	Vogels 2½c	65	......	Q6c	1.0	5.1

DIAMOND AND PLATINUM

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£35	£15¾	Anglo-Am. Inv. 50c	£30	+½	Q290c	1.0	5.3
146	48	Bishopsgate Plt. 10c	93	−1	Q3.1	♦	1.8
335	161	De Beers Df. 5c	316	−1	Q25c	2.2	4.4
£17	£11½	Do. 40pc Pf. R5	£14	......	1.10	12.5	7.7
152	80	Lydenburg 12½c	94	−2	Q2.9c	1.5	1.7
248	100	Pot. Plat. 2½c	152	......	Q5c	1.0	1.8
212	94	Union Plat. 10c	134	......	Q4.96c	1.0	2.0
212	95	Waterval 5c	132	−1	Q5.2c	1.0	2.2

CENTRAL AFRICAN

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
345	102	Coronation 25c	120	+2	Q34c	2.1	15.7
250	110	Falcon Rh. 50c	120	......	tQ35c	1.3	—
52	32	Globe Phnix 12½p	36	......	1.25	0.2	5.3
24	14	Rho.-Corp. 16⅔p	18	......	Q5	8.0	4.6
440	150	Roan Cons. K4	165	......	‡Q16.0	4.7	‡
230	92	Tanganyika 50p	166	−2	‡Q26	1.2	‡
75	60	Do. Pref. 80p	65	......	Q9	18.0	11.6
48	26½	Wankie Col. Rh.1	43	+1	Q6½c	1.3	10.0
70	31	Zam. Cpr. SBD0.24	38	......	Q1.90	3.2	5.0

AUSTRALIAN

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
28	10	Acmex 25c	20	......	—	—	—
144	95	A. M. and S. 50c	136	+1	‡Q14c	1.5	‡
122	74	Bougainville 50c	110	+1	Q10c	♦	5.2
242	145	BH South 50c	180	+5	—	—	—
215	50	Gold M. Kalg. $1	50	......	—	—	—
85	36	Gt. Boulder 10c	75	+1	♦Q2c	2.8	1.5
137	60	Hampton Areas 5p	65	+3	1.18	4.2	2.8
115	30	Metals Ex. 50c	47	......	—	—	—
43	14	Metramar 30c	17	......	—	—	—
246	117	M.I.M. Hldgs. 50c	212	+2	‡Q10c	1.8	2.7
135	80	M. Lyell 25c	95	......	Q5c	♦	3.0
3	1½	Newmetal 10c	2½	......	—	—	—
169	102	North B. Hill $1	155	+1	Q9c	1.4	3.3
16½	7	North Kalg. 30c	8½	+½	—	—	—
88	47	Oakbridge $A0	67	......	Q8c	0.9	6.9
21	8	Pacific Copr. 25c	16	+2	—	—	—
£19½	220	Pancont'l 25c	£15½	+1	—	—	—
25	9	Paringa M&Ex. 5p	12½	+½	—	—	—
535	235	Peko-Walls'd 50c	535	+10	Q15c	♦	1.6
345	144	Poseidon 20c	155	−5	—	—	—
26	8	Vultan Mn. 50c	12	......	—	—	—
9	4	Westmex 10c	6	......	—	—	—
214	137	W. Mining 50c	153	+1	‡Q8c	0.8	3.9
54	24	Whim Creek 20c	42	−6	—	—	—

TINS

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
56	32	Amal. Nigeria	41xd	+2	5.62	1.6	†
173	77	Ayer Hitam	173	+8	13.0	1.8	11.6
36	10	Beralt Tin	21	+1	21.75	—	12.8
424	268	Berjuntai SM0.5	335	+5	‡QSM2	♦	‡
18	13	Ex Lands 10p	16	+2	15	3.8	14.4
246	153	Geevor	165	+5	‡12	2.3	‡
18	8	Gold & Base 12½p	12	+1	—	—	—
288	157	Gopeng Cons.	190	+7	11.0	♦	8.9
73	55	Hongkong	64	......	—	—	—
65	40	Idris 10p	65	+5	6.7	2.2	15.9
11	6	Jantar 12½p	6	......	—	—	—
68	31	Kamunting 15p	34	+1	‡7.0	1.2	‡
175	135	Killinghall	160	+5	Q50.0	♦	31.2
192	106	London Tin 10p	155	+3	7.0	1.3	7.0
220	93	Malay Dredging	182	+7	10.7	2.0	9.1
41	22½	ΔPahang	36	......	Qh2.6	♦	11.1
65	40	Pengkalen 10p	45	+4	7.0	♦	23.9
112	75	Petaling SM1	112	......	—	—	—
23	8	Saint Piran	22	+1	—	—	—
135	68	South Kinta 10p	80	+3	‡9.5	1.5	‡
180	73	Sthn. Malayan	116	+4	10.7	0.9	14.2
83	31	Sungei Besi 20p	34	+2	‡6.0	3.0	‡
43	29	Sungei Way SM1	30	+1	ZQ10	—	5.8
84	40	Tanjong 15p	45	+5	4.0	♦	13.7
75	46	Tongkah Hb SM1	46	......	Q23%	0.6	9.6
93	42	Tronoh	65	+3	†4.02	3.5	9.5

COPPER

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
112	42	Botswana RST R2	64	+2	—	—	—
390	196	Messina R0.50	305	−5	Q35c	1.9	6.3

MISCELLANEOUS

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	3	Burma Mine 17½p	9	......	m0.5	—	1.5
65	17	Charterhall 5p	29½	−½	—	—	—
880	360	Cons. Murch. 10c	840	−20	Q80c	♦	5.3
53½	29½	Laurasia	40	+½	—	—	—
385	200	Northgate C$1	385	+10	tQ25c	4.0	3.6
211	80	R.T.Z.	197	+1	g5.51	4.4	4.3
135	47½	Sabina Inds. C$1	105	......	—	—	—
81	45	Stanford Mines$	45	......	—	—	—
£12½	874	Tara Exptn. $1	£10¼	−¼	—	—	—
118	38	Yukon Cons. C$1	110	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution: bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ♦ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ∞ Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations. xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 21

FINANCIAL TIMES
Thursday February 12 1976

CUBAN-LED TROOPS NEAR S. AFRICAN DEFENCE LINE

MPLA sweeps south in Angola

BY JAMES BUXTON

FORCES OF the Marxist MPLA movement, spearheaded by Cuban troops, made sweeping gains yesterday in their drive south, bringing them significantly closer to the South African defence line 25 miles from the border with Namibia and the complete domination of Angola.

At the same time the MPLA received an important boost when it was announced from Addis Ababa, the Ethiopian capital, that the Organisation of African Unity had recognised the Luanda-based movement as the legitimate government of Angola.

According to reports from Lusaka, the Cuban forces were shelling the Unita military headquarters town of Bie (formerly Silva Porto). Reports from Luanda that MPLA had taken the two southern provincial capitals of Mocamedes and Sa da Bandeira were later officially confirmed locally.

Following so closely on the capture of the Atlantic ports of Lobito and Benguela earlier this week, this represents an advance of 200 miles, extremely rapid even by the standards of the Angolan war.

It brings the MPLA about 300 miles from the border of South West Africa.

Military pressure on South Africa, which has at least 5,000 troops manning a defence line 50 kilometres inside Angola, is thus mounting sharply. The South African position is not helped by the OAU's recognition of the MPLA. This follows the recognition of the MPLA by substantially more than half the 46 OAU members.

South Africa now has its forces in the territory of an OAU member in order to defend its presence in Namiba, which has been condemned by the UN.

In Johannesburg there is every suggestion that South Africa intends to keep its forces in Angola until it receives assurances over the security of Namibia and its projects on the Cunene River dividing Angola and Namibia.

This, it is pointed out, would mean that, in extremis, South Africa is prepared to see its troops clash directly with the Cubans and other MPLA troops in Angola. Sources in South Africa suggest that it has many more than the admitted 5,000 troops inside the Angolan border—a view based on the increased call-up of reservists in the past few weeks.

In South Africa there is a growing feeling that the MPLA will want to "liberate" Namibia after it has taken control of the rest of Angola. Significantly, Mr. Jose Eduardo dos Santos, the MPLA Foreign Minister, gave a clear warning to South Africa of the MPLA's intentions over Namibia.

In an interview he said: "We do not have a common frontier with South Africa, but with Namibia, occupied by South Africa, as I would remind you, illegally in violation of the United Nations."

Last week the foreign minister of the Namibia independence organisation, SWAPO, visited Luanda.

Diplomatic and other observers in Johannesburg, including some Government officials, do not think the MPLA will want to press further south immediately, and would avoid a full-scale clash.

The MPLA, the argument runs, will need time to consolidate their gains, since the south of Angola is occupied by the potentially hostile Ovimbundu tribe, which has backed Unita. There is a strong possibility that Unita leader Jonas Savimbi would make good his threat to wage a guerilla war against the MPLA.

MPLA may realise that it would benefit economically from the Cunene river projects and that a settlement would be in its interests. It is pointed out that Mozambique, which is ideologically hostile to South Africa, has reached an accord with South Africa over the Cabora Bassa dam.

It is also believed that the Cubans, with their supply lines stretched, might not be able to summon the necessary military muscle to defeat a determined South African force — unless there were substantial reinforcements from the Soviet Union.

Reports from Johannesburg suggest that although officials may appear reasonably optimistic about the MPLA's intentions, its recent success has jolted the South African public. The English-language Press has increased public anxiety by prominent reports suggesting the possibility of clashes between the Cubans and South Africans.

OAU recognition, Page 5

Junior doctors gain little in pay review

BY CHRISTIAN TYLER, LABOUR STAFF

A YEAR of bitter dispute with the Government, culminating in two months of national industrial action, has produced very little short-term gain for Britain's 19,000 junior hospital doctors.

The doctors' pay review body yesterday recommended that junior doctors' overtime payments should start after 40 hours work a week, not after 44 as earlier proposed. But there is to be no increase in the rates themselves, and some doctors may see an actual drop in their earnings.

Yesterday's report, though containing no surprises for doctors' negotiators, is bound to anger many of those who have fought hard for big improvements.

One militant doctors' leader last night warned that there could be sporadic industrial action again (the action is still officially only suspended), but he thought the juniors' national committee would accept the findings at their meeting to-day.

Dr. Wasily Sakalo, chairman of the North-West doctors, who rose to prominence during the industrial action which closed many hospital departments at the end of last year, said: "It is totally unacceptable that some doctors will take a cut in pay."

The report, by the Independent Doctors and Dentists Review Body to the Prime Minister, has been accepted by the Government.

The review body has also refused, at least for now, to recommend a strict 40-hour week for doctors. To do that in the present circumstances—not least the pay policy—would mean lowering basic rates to reflect the removal of what is, in effect, doctors' ethical commitment to work whatever hours are necessary.

The doctors, who are due for a pay rise in April, can pursue their demand for an "industrial" contract which, in the long run, could greatly increase their earnings. The Government has pledged itself to supporting such a contract.

The new arrangements, if finally accepted by the British Medical Association, will come into effect shortly, and the revised overtime payment system would be backdated to Monday.

Yesterday's special report is the direct result of doctors' protests, and follows an independent audit of the amount of money paid out in overtime and available for redistribution in the new system.

It maintains the Government's insistence that, because of the pay policy, the overtime pay bill itself must not increase.

Originally estimated at £11.9m., the 1975-76 overtime pay bill was then forecast to be £14.2m. on later figures. The review body says that only £1.5m. of the increase was available to finance the lowering of the overtime threshold to 40 hours.

This means there was nothing left over to ensure that no doctor lost earnings. At present, only those working 80 hours or more attract overtime. Redistribution means that many will gain, but some will lose.

None of the increase in earnings as a result of this report needs to be offset against the £6 pay limit in April: the Government has "stretched" the pay policy to exempt individuals while ensuring the pay bill as a whole does not increase.

Overtime rates will stay at 30 per cent. of basic rate for working overtime, and 10 per cent. for being on stand-by at home.

To-day the BMA is expected to release the result of a ballot of 11,000 hospital consultants on compromise arrangements for phasing private practice out of National Health Service hospitals. It should also emerge how many consultants have sent in undated resignations in protest at the Government's intention to legislate.

U.K. airlines accept plan for exchange of routes

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

GOVERNMENT PLANS for a major redistribution of routes between State-owned British Airways and independent British Caledonian Airways were given a reluctant welcome by those airlines yesterday.

An accompanying Government decision, announced by Mr. Peter Shore, Secretary for Trade, to withdraw approval given earlier for a Laker Airways' low-fare Skytrain service across the North Atlantic, though, brought bitter denunciations in the Commons. Mr. Freddie Laker, chairman of Laker Airways, described the decision as "another breach of contract by this Government in civil aviation."

The Government's plans, still subject to Parliamentary approval, have been worked out painfully in discussions between British Airways, Caledonian and the Department of Trade in recent months.

They follow Mr. Shore's decision last summer to end "dual designation" of British airlines on long-haul routes, and to introduce instead a "spheres of interest" policy, with each airline having separate areas of exclusive U.K. flag operations.

Swaps

As a result, British Airways is to get exclusive U.K. rights to East Africa and the Seychelles, while Caledonian gets Central Africa, including Zambia.

In South America, the State carrier gives Caracas (Venezuela), Bogota (Colombia) and Lima (Peru) to British Caledonian in exchange for Caledonian's Atlantic rights (to New York, Los Angeles via Chicago, Boston and Toronto) with the exception of Atlanta and Houston, which Caledonian keeps. The independent airline also surrenders its charter rights to Bahrain/Singapore.

All other routes run by the two airlines remain unchanged.

Mr. Shore told the Commons yesterday that there would be no redundancies as a result of the route swaps, which would balance each other in terms of revenue-earning potential lost and acquired—amounting to about £7m in the case of each airline. The airlines would be largely absorbing each others' local staffs in the areas changing hands.

British Airways' immediate comment was that, although it regretted the decision to make such route swaps, the exchanges now hammered out were something the airline could live with.

Caledonian's attitude was that, while it regretted that it was not given the opportunity to acquire a large network and did not agree with the ending of dual designation, it was relieved to see the end of commercial uncertainty and now felt that it could at least plan positively — something it had been unable to do for some time.

The route exchanges will take effect from April 1 in the case of East Africa and the Seychelles, but there will have to be further talks with the relevant overseas authorities before the change-overs in South America can take effect, and before British Caledonian can start flights to Atlanta and Houston.

Yesterday's decision to cancel Laker Airways' designation for a Skytrain service brought a bitter reaction from an angry Mr Freddie Laker. The airline now also stands to lose the specific Skytrain licence it was given by the Civil Aviation Authority some years ago, because under the new policy guidelines given the authority must review all licences not in accordance with the policy of ending dual designation.

This means that the Laker Airways licence will come up for reconsideration and, although it seemed yesterday that the authority would be reluctant to cancel the licence, in the terms of the White Paper it appeared it would have little option.

Idiots

Mr. Laker said after a meeting with an all-Party group of MPs at the Commons that he regarded Mr. Shore's decision as a breach of contract. "They have made us look a lot of idiots," he declared.

He stressed that he would continue to fight for Skytrain. "First of all, thank God, we have still got a House of Commons and a House of Lords, and in this country no-one's policy is law until it has been passed by Parliament."

Details, Page 14
Parliament, Page 11

THE LEX COLUMN

Uphill task for UDT

Nervous speculation about the overhang of rights issues has been on the increase this week, and imminent the launch of a big one was being widely discussed last night. The weakness of sterling was another important check on the market. Conditions were not favourable for the quotation of the LASMO SCOT issues, and though there were signs of support during the day, by the close the £51-paid loan stock/OPS package was showing a 30p loss.

On the political front there was no bearish message in the details of the price check scheme, which contains safeguards to allow for unexpected cost increases. Cynics will not be surprised to learn that there are no official indications of its impact on the RPI, but it looks as though the listed goods—15-20 per cent. of consumer spending—may represent nearer a third of the RPI.

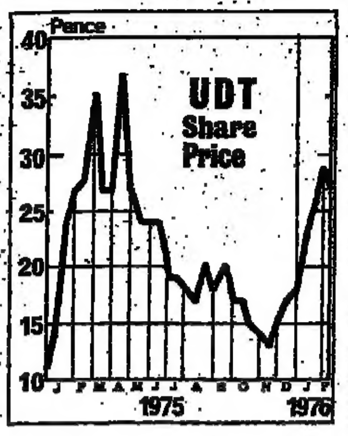
UDT

UDT is moving in the right direction, but ever so slowly. Its statement last November when it passed the Preference dividend had already indicated a loss for the first six months, and yesterday this turned out to be £3.5m. at the net attributable level, although the group was marginally in profit at the pre-tax level. The pattern of the results—with significant tax minority deductions—indicates that the U.K. banking and finance house side has remained firmly in the red, although no more special provisions have been charged. But other U.K. operations such as UDT International Finance and the commodities clearing house have earned solid profits, and there has also been a general recovery overseas despite a nasty experience in Germany where UDT has pulled out of an associate at a cost of nearly £1m.

Losses are still piling up in U.K. banking and instalment credit because the burden of paying interest on lifeboat support money at 1¼ points over interbank rate has been substantial, compared with the bank-owned competition, and because interest is not being received on £60m. of property lending (out of a total of some £130m.). These two factors cut profits by nearly £8m. in the half-year, and in any case UDT's lending markets are depressed, especially motor credit.

There has recently been some relief on the interest rate side, however, with money costs

Index fell 2.8 to 400.3



generally coming down, and UDT has managed to pare half a point off the lifeboat margin from January 1, a move worth £1m. in the current six months. And the property lending book continues to be run down slowly. One day UDT may be able to claw back some of the property loan provisions and suspended interest which must now total over £30m. But the interim statement confirms that the group's recovery is likely to take a considerable time yet, and meanwhile the tangible equity base has fallen a little further—to £28m. or 26p a share. There is nothing yet for the shares, now 27p, to get their teeth into.

See also Page 21

Dalgety

Diversification is paying off for Dalgety. Thanks largely to a favourable background for AB Maltsters, profits in the U.K. have risen by over four-fifths to £5.1m. during the half-year to December—which is not far short of peak full year profits from Australia in the past. At the same time, the pastoral and rural activities have recovered to around the break-even mark in Australia and better than that in New Zealand. The other Australian operations, which now account for as much as two-fifths of local capital employed, are doing reasonably well and the result is that overall profits have picked up from £4m. to £7.8m. pre-tax.

Given the importance of the U.K., the old seasonal bias in favour of the current six months no longer applies. In fact the second half outcome could be broadly comparable to the first,

Continued from Page 1

Support for the franc

termed a "major speculative effort," will prove impossible to contain, and that the French Government, to save its political face, will lean heavily on the Germans at to-morrow's Nice summit to re-value themselves.

It is freely ackowledged that political obstacles in the way of a shift in the D-mark parity are almost as great as those confronting a franc devaluation. But whether one or the other can be avoided in the short term depends on the game of poker being played out between Central Banks and speculators.

In favour of the former is the cost of financing a position against the franc. Euro-francs, the ammunition that sellers must first borrow, are now bid at over 10 per cent. while D-mark deposits fetch barely 3 per cent. and Swiss francs only 1 per cent.

In addition, the growing likelihood of a technical respite for the franc will offer the Bank of France the chance of a "bear squeeze" such as the Bank of England has practised with such effect in the past.

Tory bid to amend Docks Bill

BY RICHARD EVANS, LOBBY CORRESPONDENT

CONSERVATIVE leaders were yesterday planning a major campaign to obtain fundamental changes in the Dock Work Regulation Bill before it becomes law.

Mr. Michael Foot, Employment Secretary, has already promised a number of important amendments to meet the anxieties of rival trade unions.

Tory tactics will be to gain the support of some union-sponsored Labour backbenchers to extend the concessions.

Despite the comparatively comfortable eight-vote Government win on the Second Reading, Ministers accept that the committee stage of the Bill, starting later this month, will be a much harder hurdle.

Labour will have an overall majority of only one on the 31-strong committee and this will include some members of unions worried about job prospects under the Bill as drafted.

Mr. James Prior, "shadow" Employment Secretary, disclosed last night that the Opposition would seek at least four basic changes in the committee stage, which promises to be the hardest-fought of the session.

These are:

1—To tighten the definition of dock work and to exclude industries such as cold storage from the extension of the dock labour scheme.

2—To obtain criteria on which ports should be included in the scheme, and to exclude smaller ports.

3—To ensure that port users are represented on the proposed National Dock Labour Board.

4—To insert a right of appeal in any further extension of the scheme beyond the five-mile corridor.

Mr. Prior and his colleagues are already receiving shoals of amendments from MPs and from the industry, and the committee stage is certain to be lengthy.

Detailed consultations will be held with port employers and other parties on suitable amendments.

An important criteria will be whether these are likely to gain support from the Liberals, Nationalists and some Labour members of the committee.

Much will depend on the composition of the standing committee, which will be known to-day.

Christian Tyler writes: The Confederation of British Industry yesterday set to work drafting a list of amendments which, if carried in committee stage—as the CBI expects—would virtually emasculate the Bill.

The Government's narrow Second Reading victory has not lessened the CBI's determination to kill the Bill and see a full inquiry substituted. But the short-term aim is to draw its teeth.

Port employers yesterday pursued a slightly softer line. Three representatives saw Department of Employment officials to discuss amendments.

Warning over closure, Page 11

Weather

U.K. TO-DAY

RAIN at times.

London, S.E., E. and Cent. S. England, E. Anglia, E. Midlands

Dry at first, rain later. Wind N.W., fresh. Max 6C (43F).

Channel Is., S.W. England

Cloudy. Occasional rain. Wind, W., fresh. Max. 8C (46F).

W. Midlands, Wales, N.W. and Cent. N. England, Lakes, LofM., N. Ireland

Rain. Clear later. Wind, W., fresh. Max. 6C (43F).

N. E. England, Scotland

Showers. Bright intervals. Wind W., moderate. Max. 5C (41F).

Outlook: Changeable.

Lighting-up: London 17.38, Manchester 17.42, Glasgow 17.42, Belfast 17.53.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amsterdm.	R	4	39	Madrid	S	12	54
Athens	S	11	52	Manchstr.	F	5	41
Bahrain	S	22	72	Melbourne	S	20	68
Barcelona	S	15	59	Mexico C.	S	17	63
Beirut	S	12	54	Milan	S	5	41
Belfast	C	2	36	Montreal	C	0	32
Belgrade	Sn	1	34	Moscow	S	−14	[illegible]
Berlin	F	4	39	Munich	F	4	39
Birmghm.	C	3	41	Newcastle	F	2	37
Bristol	S	6	43	New York	S	10	50
Brussels	S	4	39	Oslo	C	−1	30
Budapest	Sn	−5	23	Paris	C	5	41
B. Aires	S	26	79	Perth	C	26	79
Cairo	S	15	59	Prague	F	3	37
Cardiff	S	5	41	Reykjavik	Sn	−3	27
Cologne	R	4	39	Rio de J'o	S	29	84
Copnhagn.	C	1	34	Rome	F	12	54
Dublin	S	3	37	Singapore	S	30	[illegible]
Edinburgh	S	3	37	Stockholm	C	2	[illegible]
Frankfurt	C	4	39	Strasbourg	F	8	[illegible]
Geneva	C	6	43	Sydney	C	22	72
Glasgow	C	3	37	Tehran	S	9	48
Helsinki	Sn	−6	21	Tel Aviv	C	11	52
Hong Kong	S	20	68	Tokyo	S	8	46
Jo'burg	C	21	70	Toronto	C	1	34
Lisbon	F	12	54	Vienna	Sn	−4	25
London	C	8	46	Warsaw	S	−7	19
Luxembrg.	C	1	34	Zurich	C	5	41

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	R	9	48	Jersey	C	8	46
Algiers	C	14	57	Las Plms.	C	18	64
Biarritz	C	10	50	Locarno	S	8	46
Blackpool	S	5	41	Majorca	R	12	54
Bordeaux	R	10	50	Malaga	C	15	59
Boulogne	F	5	41	Malta	C	13	55
Casablnca.	C	15	59	Nairobi	S	25	77
Cape Tn.	S	23	73	Naples	F	11	52
Corfu	C	10	50	Nassau	S	22	72
Dubrovnik	F	10	50	Nice	S	13	55
Faro	C	15	59	Oporto	S	12	54
Funchal	C	15	59	Rhodes	S	10	50
Gibraltar	C	15	59	Salzburg	C	3	37
Guernsey	F	5	41	Tangier	C	14	57
Innsbruck	C	3	37	Tenerife	C	12	54
Inverness	C	2	36	Tunis	C	15	59
Is. of Man	S	5	41	Valencia	F	17	63
Istanbul	C	2	36	Venice	C	6	43

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sn—Snow.

Snow reports, Page 8

Continued from Page 1

Varley

include Mr. Jack Jones, transport workers' leader, and Mr. Hugh Scanlon, president of the engineering union.

The company executive members would be: Mr. Terry Beckett (Ford); Mr. William Price (Vauxhall); Mr. Gilbert Hunt (Chrysler); and Mr. Alex Park (British Leyland).

Defending the Government's policy against the Conservative motion of censure, Mr. Varley told MPs that the Government wanted to establish a viable, substantial and internationally competitive industry without subsidies by the 1980s.

There had bene some hopeful signs since the Government's investment of public money, he said. But fundamental changes of attitude were needed.

The group's task, he indicated, would be to advise on action to tackle problems such as labour relations and productivity.

The group would hold its first meeting shortly.

TUC chiefs endorse £2bn. economy boost call

BY JOHN ELLIOTT, LABOUR EDITOR

SENIOR TUC LEADERS yesterday endorsed their new economic policy for the coming year, which calls on the Government to boost the economy with £2bn. extra expenditure in the Budget and to adopt formally an unemployment target of 600,000 for 1978.

This policy will pave the way for talks in two or three months' time with the Government on a new pay limit to take over from the £6 figure, and will also be used as a yardstick against which the unions judge the Government's efforts to reduce unemployment.

The proposals go to a meeting of the TUC General Council in two weeks' time, and will then be officially published and presented to Mr. Denis Healey, Chancellor of the Exchequer.

The proposals were dealt with yesterday by the TUC economic committee at a meeting lasting nearly five hours. Mr. Jack Jones of the Transport and General Workers Union was absent on union business in Brussels, but there was no major controversy about the plans.

On two points the TUC leaders changed the emphasis of their original draft documents. They decided it should be made clear that, while they were asking the Government to adopt 1978 as the date for unemployment to come down to 600,000, this did not mean that the TUC accepted 600,000 as a permanently acceptable level of unemployment.

Secondly they decided to try to switch the emphasis of their proposals on redistribution of wealth away from the proposal in their draft document for top salaries gradually to be cut to about £20,000 at present values. The document pointed out that this was the sum paid to the Prime Minister, and could be adopted as a top national salary.

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